

OMNIBUS RECONCILIATION ACT OF 1982

AUGUST 16, 1982.—Ordered to be printed

Mr. JONES of Oklahoma, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 6955]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6955) to provide for reconciliation pursuant to the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92, Ninety-seventh Congress), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. *This Act may be cited as the "Omnibus Budget Reconciliation Act of 1982".*

TITLE I—AGRICULTURE, FORESTRY, AND RELATED PROGRAMS

Subtitle A—Dairy Price Support Program

SEC. 101. *Section 201 of the Agricultural Act of 1949, as amended by the Agriculture and Food Act of 1981, is amended by—*

(1) *effective October 1, 1982, striking out everything in subsection (c) after the first sentence and preceding the sentence which begins "Such price support shall be provided";*

(2) *adding a new subsection (d) as follows:*

(d) *Notwithstanding any other provision of law—*

"(1)(A) Effective for the period beginning October 1, 1984, ending September 30, 1984, the price of milk shall be supported at not less than \$13.10 per hundredweight of milk containing 3.67 per centum milkfat.

"(B) Effective for the fiscal year beginning October 1, the price of milk shall be supported at not less than such percentage that represents the percentage of parity that the Secretary estimates \$13.10 represented as of October 1, 1983.

"(C) The price of milk shall be supported through the purchase of milk and the products of milk.

"(2) Effective for the period beginning October 1, 1984, ending September 30, 1985, the Secretary may provide for a deduction of 50 cents per hundredweight from the proceeds of all milk marketed commercially by producers to be remitted to the Commodity Credit Corporation to offset a portion of the cost of the milk price support program. Authority for requiring such deductions shall not apply for any fiscal year for which the Secretary estimates that net price support purchases of milk or the products of milk would be less than 5 billion pounds milk equivalent. If at any time during a fiscal year the Secretary should estimate that such net price support purchases during that fiscal year would be less than 5 billion pounds, authority for requiring such deduction shall not apply for the balance of the year.

"(3)(A) Effective for the period beginning April 1, 1984, ending September 30, 1985, the Secretary may provide for a deduction of 50 cents per hundredweight, in addition to the deduction referred to in paragraph (2), from the proceeds of all milk marketed commercially by producers to be remitted to the Corporation. The deduction authorized by this subparagraph shall be implemented only if the Secretary establishes a program whereby the funds resulting from such deduction would be refunded in the manner provided in this paragraph to producers who reduce their commercial marketings from the base period. For the purpose of this paragraph, the base period shall be the fiscal year beginning October 1, 1981, or at the option of the Secretary, the average of two fiscal years beginning October 1, 1980. The Secretary may make such adjustments in individual bases under this subparagraph as the Secretary determines necessary to correct for abnormal factors affecting production and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base.

"(B) Refunds under this paragraph shall be based on reductions in commercial marketings as specified by the Secretary but the Secretary may not require as a condition for making a refund of the entire amount collected from a producer that the producer reduce marketings in excess of a reduction equivalent to the ratio that the total amount of surplus milk production as estimated by the Secretary for the fiscal year, bears to the total milk production estimated for such period. The Secretary may provide for refunds to be made of amounts collected from producers on a pro rata basis taking into consideration the

reduction in commercial marketings by the producer from the commercial marketings during the base period.

"(C) The funds remitted to the Corporation as a result of the deductions provided for under this paragraph that are not used in making refunds to producers shall be used to offset the cost of the milk price support program. Authority for making deductions under this paragraph shall not apply for any fiscal year for which the Secretary estimates that net price support purchases of milk or the products of milk would be less than 7.5 billion pounds milk equivalent. If at any time during a fiscal year the Secretary should establish that such net price support purchases during that fiscal year would be less than 7.5 billion pounds, the authority for requiring such deductions shall not apply for the balance of the year.

"(D) The Secretary may provide for refunds to producers on a periodic basis during the year. If, based on total marketings for the year, the Secretary should determine that an overpayment has been made to the producer for the year, the producer shall repay the amount of the overpayment.

"(E) Prior to approving any application for a refund, the Secretary shall require evidence that such reduction in marketings has taken place and that such reduction is a net decrease in marketings of milk and has not been offset by expansion of production in other production facilities in which the person has an interest or by transfer of partial interest in the production facility or by the taking of any other action which is a scheme or device to qualify for payment.

"(4) The funds represented by the deductions referred to in paragraphs (2) and (3) shall be remitted to the Commodity Credit Corporation at such time and such manner as prescribed by the Secretary by each person making payment to a producer for milk purchased from the producer, except that in the case of any producer who markets milk of the producer's own production directly to consumers, such funds shall be remitted to the Corporation by the producer. The funds represented by such reduction shall be considered as included in the payments to a producer of milk for purposes of the minimum price provisions of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937.

"(5) Each producer who markets milk and each person required to make payment to the Corporation under this subsection shall keep such records and make such reports, in such manner, as the Secretary determines necessary to carry out this subsection. The Secretary may make such investigations as the Secretary deems necessary for the effective administration of this subsection or to determine whether any person subject to the provisions of this subsection has engaged or is engaged or is about to engage in any act or practice that constitutes or will constitute a violation of any provision of this subsection or regulation issued under this subsection. For the purpose of such investigation, the Secretary is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers, and documents that are relevant to the inquiry. Such attendance of

witnesses and the production of any such records may be required from any place in the United States. In case of contempt by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States with jurisdiction of which such investigation or proceeding is conducted, on, or where such person resides or carries on business, requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in any judicial district whereof such person is an inhabitant or where such person may be found.

"(6)(A) The district courts of the United States are authorized with jurisdiction specifically to enforce, and to prevent and restrain any person from violating any provision of this subsection or any regulation issued under this subsection. Any civil action authorized to be brought under this subsection may be referred to the Attorney General for appropriate action. Nothing in this subsection may be construed as requiring the Secretary to refer to the Attorney General minor violations of this subsection whenever the Secretary believes that the administration and enforcement of this subsection would be adequately served by suitable written notice or warning to any person committing such violation.

"(B) Any person who willfully violates any provision of this subsection or any regulation issued under this subsection who willfully fails or refuses to remit any amounts due thereunder shall be liable, in addition to payment of the amount due plus interest, for a civil penalty (to be assessed by the Secretary) of not more than \$1,000 for each such violation which shall accrue to the United States and may be recovered in a civil suit brought by the United States.

"(C) The remedies provided in subparagraphs (A) and (B) shall be in addition to, and not exclusive of, remedies otherwise provided at law or in equity.

"(7) In carrying out this subsection, the Secretary may, on a reimbursable or nonreimbursable basis, as the Secretary determines appropriate, use—

"(A) administrators of Federal milk marketing orders

"(B) State and county committees established under section 8 of the Soil Conservation and Domestic Allotment Act; or

"(C) administrators of State milk marketing programs

Subtitle B—Donation of Dairy Products

SEC. 110. Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, such dairy products may be donated for distribution to needy households in the United States and to meet the needs of persons receiving nutrition assistance

the Older Americans Act of 1965. Such dairy products may be donated through foreign governments and public and non-private humanitarian organizations for the assistance of persons outside the United States, and the Commodity Credit Corporation may pay, with respect to commodities so donated, the cost of processing, packaging, transporting, handling, and other charges, including the cost of overseas delivery. In order to assure that any donations for use outside the United States are coordinated and complement other United States foreign assistance, such donations shall be coordinated through the mechanism designated by the President to coordinate assistance under the Agricultural Development and Assistance Act of 1954 and shall be in addition to the level of assistance programmed under that Act."

Subtitle C—Adjustment Program for the 1983 Crops of Wheat, Feed Grains, Upland Cotton and Rice

ADVANCE DEFICIENCY PAYMENTS

SEC. 120. Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, the Agricultural Act of 1949 is amended by inserting after section 107B (7 U.S.C. 1445b-1) the following new section:

"ADVANCE PAYMENTS

SEC. 107C. (a)(1) Effective with respect to the 1982 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall make available to producers who participate in an acreage limitation program established for wheat, feed grains, upland cotton, or rice under section 107B(e), 105B(e), 103(g)(9), or 101(i)(5), respectively, advance deficiency payments in accordance with this section (other than subsection (b)) if the Secretary determines that deficiency payments likely to be made under this Act.

(2) Advance deficiency payments under paragraph (1) shall be made to producers under the following terms and conditions:

"(A) Such payments shall be made as soon as practicable after October 1, 1982.

"(B) Such payments shall be made in an amount determined by multiplying (i) the estimated farm program acreage for the crop, by (ii) the farm program payment yield for the crop, by (iii) 70 per centum of the projected payment rate, as determined by the Secretary. Notwithstanding the preceding sentence, in any case in which a producer has received disaster payments for wheat, feed grains, upland cotton, or rice under section 107B(b)(2), 105B(b)(2), 103(g)(4), or 101(i)(3), respectively, the Secretary may make such adjustment in the advance deficiency payments made under this subsection as the Secretary determines appropriate.

(b)(1) Effective with respect to the 1983 through 1985 crops of wheat, feed grains, upland cotton, and rice, if the Secretary establishes an acreage limitation or acreage setaside program for a crop of wheat, feed grains, upland cotton, or rice under section 107B(e), 105B(e), 103(g)(9), or 101(i)(5), respectively, and determines that defi-

ciency payments will likely be made for such commodity for crop, the Secretary—

"(A) for the 1983 crop of such commodity, shall make available, as provided in this section (other than subsection (a)), advance deficiency payments to producers who agree to participate in such program; and

"(B) for the 1984 and 1985 crops of such commodities make available, as provided in this section (other than subsection (a)), advance deficiency payments to producers who agree to participate in such program.

"(2) Advance deficiency payments under this subsection shall be made to producers under the following terms and conditions:

"(A) Such payments shall be made available to producers as soon as practicable after the producer files a notice of intent to participate in such program, but in no case prior to January 1, 1982.

"(B) Such payments shall be made available to producers in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by—
(i) the estimated farm program acreage for the crop;
(ii) the farm program payment yield for the crop, by the percentage of the projected payment rate, as determined by the Secretary.

"(c) Advance deficiency payments under this section shall be made to producers under the following terms and conditions:

"(1) In any case in which the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under section 107B(b)(1), 105B(b)(1), 103(g)(3), or 101(i)(2), is less than the amount paid to the producer as an advance deficiency payment for the crop under this section, the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producers as a deficiency payment for the crop concerned.

"(2) If the Secretary determines under section 107B(b)(1), 105B(b)(1), 103(g)(3), or 101(i)(2) that deficiency payments shall not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this section, the producers who received such advance payments shall refund such payments.

"(3) Any refund required under paragraph (1) or (2) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

"(4) If a producer fails to comply with the requirements under the acreage limitation or set-aside program involved (and in the case of the 1983 crops of wheat, feed grains, and rice the requirements of the land diversion program involved) after obtaining an advance deficiency payment under this section, the producer shall repay immediately the amount of the advance payment plus interest thereon in such amount as the Secretary shall prescribe by regulations.

"(d) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

The authority provided in this section shall be in addition to, and in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law."

1983 WHEAT LOANS

"21. Section 107B(a) of the Agricultural Act of 1949 (7 U.S.C. 1621a) is amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this subsection, the Secretary shall make available to producers loans and purchases for the 1983 crop of wheat at not less than \$3.65 per bushel."

1983 WHEAT ACREAGE REDUCTION AND DIVERSION PROGRAMS

"22. Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1621e) is amended by—

(1) striking out in the first sentence of paragraph (1) "Notwithstanding any other provision of this section, the" and inserting in lieu thereof "Notwithstanding any other provision of law—

"(A) Except as provided in subparagraph (B) of this paragraph, the";

(2) adding at the end of paragraph (1) the following new subparagraph:

"(B) Notwithstanding any previous announcement to the contrary, for the 1983 crop of wheat the Secretary shall provide for a combination of (i) an acreage limitation program as described under paragraph (2) and (ii) a diversion program as described under paragraph (5) under which the acreage planted to wheat for harvest on the farm would be limited to the acreage base for the farm reduced by a total of 20 per centum, consisting of a reduction of 15 per centum under the acreage limitation program and a reduction of 5 per centum under the diversion program. As a condition of eligibility for loans, purchases, and payments on the 1983 crop of wheat, the producers on a farm must comply with the terms and conditions of the combined acreage limitation program and diversion program."

(3) in paragraph (2), inserting immediately after the fifth sentence the following: "Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under the program for the 1983 crop of wheat shall be the same as the acreage base applicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base."; and

(4) inserting at the end of paragraph (5) the following: "Notwithstanding the foregoing provisions of this paragraph, the Secretary shall implement a land diversion program for the 1983 crop of wheat under which the Secretary shall make crop retirement and conservation payments to any producer of the 1983 crop of wheat whose acreage planted to wheat for harvest

on the farm is reduced so that it does not exceed the acreage base for the farm less an amount equivalent to 10 per centum of the wheat acreage base in addition to the reduction required under paragraph (2), and the producer devotes to approved conservation uses an acreage of cropland equivalent to the reduction required from the wheat acreage base under this paragraph. Such payments shall be made in an amount computed by multiplying (i) the diversion payment rate, by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this paragraph. The diversion payment rate shall be established by the Secretary at not less than \$1.50 per bushel, except that the rate may be reduced up to 10 per centum if the Secretary determines that the same program objective could be achieved with the lower rate. The Secretary shall make not less than 50 per centum of any payments available under this paragraph to producers of the 1983 crop as soon as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance, but in no case prior to October 1, 1982. If a producer fails to comply with a land diversion contract after obtaining an advance payment under this paragraph, the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance."

1983 FEED GRAIN LOANS

SEC. 123. Section 105B(a)(1) of the Agricultural Act of 1949 (7 U.S.C. 1444d(a)(1)) is amended by inserting at the end thereof the following: "Notwithstanding the foregoing provisions of this paragraph, the Secretary shall make available to producers loans and purchases for the 1983 crop of corn at not less than \$2.65 per bushel."

1983 FEED GRAIN ACREAGE REDUCTION AND DIVERSION PROGRAMS

SEC. 124. Section 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)) is amended by—

(1) striking out in the first sentence of paragraph (1) "Notwithstanding any other provision of this section, the" and inserting in lieu thereof "Notwithstanding any other provision of law—

"(A) Except as provided in subparagraph (B) of this paragraph, the";

(2) adding at the end of paragraph (1) the following new paragraph:

"(B) For the 1983 crop of feed grains, the Secretary shall provide for a combination of (i) an acreage limitation program as described under paragraph (2) or a set-aside program as described under paragraph (3) and (ii) a diversion program as described under paragraph (5) under which the acreage planted to feed grains for harvest on the farm would be limited to the acreage base for the farm reduced by a total of 15 per centum, consisting of a reduction of 10 per centum under the acreage limitation or set-aside program and a reduction of 5 per centum under the diversion

program. As a condition of eligibility for loans, purchases, and payments on the 1983 crop of feed grains, the producers on a farm must comply with the terms and conditions of the combined acreage limitation or set-aside program and diversion program."

(3) in paragraph (2), inserting immediately after the sixth sentence the following: "Notwithstanding any other provision of this paragraph, the acreage base to be used for the farm under the program for the 1983 crop of feed grains shall be the same as the acreage base applicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base."; and

(4) inserting at the end of paragraph (5) the following: "Notwithstanding the foregoing provisions of this paragraph, the Secretary shall implement a land diversion program for the 1983 crop of feed grains under which the Secretary shall make crop retirement and conservation payments to any producer of the 1983 crop of feed grains whose acreage planted to feed grains for harvest on the farm is reduced so that it does not exceed the feed grain acreage base for the farm less an amount equivalent to 5 per centum of the feed grain acreage base in addition to the reduction required under paragraph (2) or (3), and the producer devotes to approved conservation uses an acreage of cropland equivalent to the reduction required from the feed grain acreage base under this paragraph. Such payments shall be made in an amount computed by multiplying (i) the diversion payment rate, by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this subsection. The diversion payment rate shall be established by the Secretary at not less than \$1.50 per bushel for corn, except that the rate may be reduced up to 10 per centum if the Secretary determines that the same program objective could be achieved with the lower rate. The payment rate for grain sorghums, oats, and, if designated by the Secretary, barley shall be such rate as the Secretary determines is fair and reasonable in relation to the rate at which payments are made available for corn. The Secretary shall make not less than 50 per centum of any payments under this paragraph to producers of the 1983 crop as soon as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance, but in no case prior to October 1, 1982. If a producer fails to comply with a land diversion contract after obtaining an advance payment under this paragraph, the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance."

1983 RICE ACREAGE REDUCTION AND DIVERSION PROGRAMS

SEC. 125. Section 101(i)(5) of the Agricultural Act of 1949 (7 U.S.C. 1101(i)(5)) is amended by—

(1) striking out in the first sentence of subparagraph (A) notwithstanding any other provision of this subsection, the inserting in lieu thereof "Notwithstanding any other provision of law, except as provided in the third and fourth sentences of this paragraph, the";

(2) inserting immediately after the second sentence of subparagraph (A) the following: "For the 1983 crop of rice, the Secretary shall provide for a combination of (i) an acreage limitation program as described under this subparagraph and (ii) a diversion program as described under subparagraph (B) under which the acreage planted to rice for harvest on the farm is limited to the acreage base for the farm reduced by a total of 10 per centum, consisting of a reduction of 15 per centum under the acreage limitation program and a reduction of 5 per centum under the diversion program. As a condition of eligibility for loans, purchases, and payments on the 1983 crop of rice, producers on a farm must comply with the terms and conditions of the combined acreage limitation and diversion program.";

(3) inserting immediately after the ninth sentence of subparagraph (A) (as amended by paragraph (2) of this section) the following: "Notwithstanding any other provision of this subparagraph, the acreage base to be used for the farm under the program for the 1983 crop of rice shall be the same as the acreage base applicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established cropping practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base."; and

(4) inserting at the end of subparagraph (B) the following: "Notwithstanding the foregoing provisions of this subparagraph, the Secretary shall implement a land diversion program for the 1983 crop of rice under which the Secretary shall make crop retirement and conservation payments to any producer of the 1983 crop of rice whose acreage planted to rice for harvest on the farm is reduced so that it does not exceed the rice acreage base for the farm less an amount equivalent to 5 per centum of the rice acreage base in addition to the reduction required under subparagraph (A), and the producer devotes to agriculture or conservation uses an acreage of cropland equivalent to the reduction required from the rice acreage base under this subparagraph. Such payments shall be made in an amount computed by multiplying (i) the diversion payment rate, by (ii) the program payment yield for the crop, by (iii) the additional acreage diverted under this subparagraph. The diversion payment rate shall be established by the Secretary at not less than \$10 per hundredweight, except that the rate may be reduced to 10 per centum if the Secretary determines that the same program objective could be achieved with the lower rate. The Secretary shall make not less than 50 per centum of any payments under this subparagraph to producers of the 1983 crop as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance, but in no case prior to October 1, 1982. If a producer

fails to comply with a land diversion contract after obtaining an advance payment under this subparagraph, the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance."

Subtitle D—Agricultural Export Promotion

SEC. 135. Effective for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, the Secretary of Agriculture shall use not less than \$175,000,000 nor more than \$200,000,000 of funds of the Commodity Credit Corporation for activities authorized to be carried out by the Secretary or by the Commodity Credit Corporation under the provisions of law in effect on the date of enactment of this section, notwithstanding the fact that the activity may not be included in the budget program of the Corporation. The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation. The authority provided in this section shall be in addition to, and not in derogation of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.

Subtitle E—Food Stamp Act Amendments of 1982

SHORT TITLE

SEC. 140. This subtitle may be cited as the "Food Stamp Act Amendments of 1982".

REFERENCES TO THE FOOD STAMP ACT OF 1977

SEC. 141. Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

HOUSEHOLD DEFINITION

SEC. 142. Section 3(i) (7 U.S.C. 2012(i)) is amended by—

(1) in the first sentence—

(A) inserting "; or siblings," after "children"; and

(B) inserting "; or siblings," after "the parents"; and

(2) inserting after the first sentence the following new sentence: "Notwithstanding clause (1) of the preceding sentence, an individual who lives with others, who is sixty years of age or older, and who is unable to purchase food and prepare meals because such individual suffers, as certified by a licensed physician, from a disability which would be considered a permanent disability under section 221(i) of the Social Security Act (42 U.S.C. 421(i)) or from a severe, permanent, and disabling physical or mental infirmity which is not symptomatic of a disease shall be considered, together with any of the others who is the spouse of such individual, an individual household, without regard to the purchase of food and preparation of meals, if the income (as determined under section 5(d)) of the others, exclud-

ing the spouse, does not exceed the poverty line, as described in section 5(c)(1), by more than 65 per centum."

ROUNDING DOWN

SEC. 143. (a) The second sentence of section 3(o) (7 U.S.C. 2013(c)) (as amended by section 144 of this Act) is amended by—

(1) in clause (1), inserting "(based on the unrounded cost of such diet)" after "adjustments"; and

(2) in clauses (6), (7), and (8), striking out "nearest dollar increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment for each household size".

(b) Section 5(e) (7 U.S.C. 2014(e)) is amended by—

(1) in the second sentence, striking out "nearest \$5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment"; and

(2) in the proviso of clause (2) of the fourth sentence, striking out "nearest \$5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment".

(c) The first sentence of section 8(a) (7 U.S.C. 2017(a)) is amended by inserting "lower" after "nearest".

THRIFTY FOOD PLAN ADJUSTMENTS

SEC. 144. The second sentence of section 3(o) (7 U.S.C. 2013(c)) is amended by striking out "(6)" and all that follows through "twelve months ending the preceding June 30" and inserting in lieu thereof the following: "(6) on October 1, 1982, adjust the cost of such diet to reflect changes in the cost of the thrifty food plan for the twelve months ending June 30, 1982, reduce the cost of such diet by 1 per centum, and round the result to the nearest dollar increment; on October 1, 1983, and October 1, 1984, adjust the cost of such diet to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30, reduce the cost of such diet by 1 per centum, and round the result to the nearest dollar increment; and (8) on October 1, 1985, and each October 1 thereafter, adjust the cost of such diet to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30 and round the result to the nearest dollar increment".

DISABLED VETERANS AND SURVIVORS

SEC. 145. (a) Section 3 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(r) 'Elderly or disabled member' means a member of a household who—

"(1) is sixty years of age or older;

"(2) receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

"(3) receives disability or blindness payments under title II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 401 et seq.);

"(4) is a veteran who—

"(A) has a service-connected disability which is rated at least 50 per centum under title 38, United States Code; or

"(B) is considered in need of regular aid and attendance or permanently housebound under such title;

"(5) is a surviving spouse of a veteran and—

"(A) is considered in need of regular aid and attendance or permanently housebound under title 38, United States Code; or

"(B) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)); or

"(6) is a child of a veteran and—

"(A) is considered permanently incapable of self-support under section 414 of title 38, United States Code; or

"(B) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i))."

(b) The first sentence of section 3(i) (7 U.S.C. 2012(i)) is amended by striking out "sixty" and all that follows through the end of the sentence and inserting in lieu thereof "an elderly or disabled member".

(c) Section 5(c)(2) (as amended by section 146(a) of this Act) is amended by striking out "a member who is" and all that follows through "(42 U.S.C. 301 et seq.)" and inserting in lieu thereof "an elderly or disabled member".

(d) Section 5(e) (7 U.S.C. 2014(e)) (as amended by section 146(b) of this Act) is amended by—

(1) in the first sentence, striking out "a member who is" and all that follows through "(42 U.S.C. 301 et seq.)" and inserting in lieu thereof "an elderly or disabled member";

(2) in the fourth sentence, striking out "a member" and all that follows through "titles I, II, X, XIV, and XVI of the Social Security Act" and inserting in lieu thereof "an elderly or disabled member"; and

(3) in the last sentence—

(A) in the matter preceding subclause (A), striking out "a member" and all that follows through "titles I, II, X, XIV, and XVI of the Social Security Act" and inserting in lieu thereof "an elderly or disabled member"; and

(B) in subclause (A), striking out "household members" and all that follows through "titles I, II, X, XIV, and XVI of the Social Security Act" and inserting in lieu thereof "elderly or disabled members".

(e) The first sentence of section 6(c)(1) (7 U.S.C. 2015(c)(1)) is amended by striking out "sixty" and all that follows through "titles II, X, XIV, and XVI of the Social Security Act" and inserting in lieu thereof "elderly or disabled members".

INCOME STANDARDS OF ELIGIBILITY

SEC. 146. (a) Subsection (c) of section 5 (7 U.S.C. 2014(c)) is amended to read as follows:

"(c) The income standards of eligibility shall provide that a household shall be ineligible to participate in the food stamp program if—

"(1) the household's income (after the exclusions and deductions provided for in subsections (d) and (e)) exceeds the poverty line, as defined in section 673(2) of the Community Development Block Grant Act (42 U.S.C. 9902(2)), for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively; and

"(2) in the case of a household that does not include a member who is sixty years of age or over or a member who receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), the household's income (after the exclusions provided for in subsection (d)) exceeds before the deductions provided for in subsection (e) the applicable such poverty line by more than 30 per centum.

In no event shall the standards of eligibility for the Virgin Islands of the United States or Guam exceed those in the forty-eight contiguous States."

(b) The first sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by striking out "households described in subsection (c)(1)" and inserting in lieu thereof "households containing a member who is sixty years of age or over or a member who receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.)".

COORDINATION OF COST-OF-LIVING ADJUSTMENTS

SEC. 147. Section 5(d) (7 U.S.C. 2014(d)) is amended by—

- (1) striking out "and" at the end of clause (10); and
- (2) adding before the period at the end thereof the following: "and (12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq.), section 301 of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the household was certified as eligible to participate in the food stamp program or received an allotment in the month immediately preceding the first month in which the adjustment was effective

ADJUSTMENT OF DEDUCTIONS

SEC. 148. Section 5(e) (7 U.S.C. 2014(e)) is amended by—

- (1) in clause (1) of the second sentence, striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983"; and
- (2) in subclause (i) of the proviso of clause (2) of the fourth sentence, striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983".

STANDARD UTILITY ALLOWANCES

SEC. 149. (a) Section 5(e) (7 U.S.C. 2014(e)) is amended by inserting after the fourth sentence the following new sentences: "In computing excess shelter expense deduction under clause (2) of the preceding sentence, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance which does not fluctuate more than a year to reflect seasonal variations. An allowance for a heating or cooling expense may not be used for a household that does not incur a heating or cooling expense, as the case may be, or that incurs a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households with regard to such expense, only for excess utility costs. No such allowance may be used for a household that shares such expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both." (b) Subclause (B) of the last sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by striking out "preceding sentence" and inserting in lieu thereof "fourth sentence of this subsection".

MIGRANT FARMWORKERS

SEC. 150. The last sentence of section 5(f)(4) (7 U.S.C. 2014(f)(4)) is amended by inserting after "subsection" the following: "(except the provisions of paragraph (2)(A))".

FINANCIAL RESOURCES

SEC. 151. The second sentence of section 5(g) (7 U.S.C. 2014(g)) is amended by—

- (1) striking out "June 1, 1977" and inserting in lieu thereof "June 1, 1982";
- (2) striking out "and" after "vacation purposes,"; and
- (3) inserting after "\$4,500," the following: "and, regardless of whether there is a penalty for early withdrawal, any savings or retirement accounts (including individual accounts),".

STUDIES

SEC. 152. (a) The second sentence of section 5(g) (7 U.S.C. 2014(g)) is amended by—

- (1) striking out "(1)"; and
 - (2) striking out "and (2)" and all that follows through the end of the sentence and inserting in lieu thereof a period.
- (b) Section 8(a) (7 U.S.C. 2017(a)) is amended by striking out the second sentence.
- (c) Subsections (d) and (e) of section 17 (7 U.S.C. 2026(d) and (e)) are repealed.

CATEGORICAL ELIGIBILITY

SEC. 153. Section 5 (7 U.S.C. 2014) is amended by adding at the end thereof the following new subsection:

"(j) Notwithstanding subsections (a) through (i), a State may consider a household in which all members of the household receive benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and whose income does not exceed the applicable income standard of eligibility described in subsection (c)(2) to have satisfied the resource limitations prescribed under subsection (g)."

MONTHLY REPORTING

SEC. 154. The first sentence of section 6(c)(1) (7 U.S.C. 2015(c)) is amended by—

- (1) inserting "adult" after "which all"; and
- (2) inserting before the period at the end thereof the following: "; except that a State agency may, with the prior approval of the Secretary, select categories of households which report at specified less frequent intervals upon a showing to the State agency, which is satisfactory to the Secretary, that to require households in such categories to report monthly would result in unwarranted expenditures for administration of this subsection".

PERIODIC REPORT FORMS

SEC. 155. The last sentence of section 6(c)(1) (7 U.S.C. 2015(c)) is amended by striking out ", on a form designed or approved by the Secretary,".

REPORTING REQUIREMENTS

SEC. 156. Section 6(c) (7 U.S.C. 2015(c)) is amended by adding at the end thereof the following new paragraph:

"(5) The Secretary is authorized, upon the request of a State agency, to waive any provisions of this subsection (except the provisions of the first sentence of paragraph (1) which relate to households which are not required to file periodic reports) to the extent necessary to permit the State agency to establish periodic reporting requirements for purposes of this Act which are similar to the periodic reporting requirements established under the State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in that State."

JOB SEARCH

SEC. 157. Section 6(d)(1)(ii) (7 U.S.C. 2015(d)(1)(ii)) is amended by inserting before the semicolon at the end thereof the following which may include a requirement that, at the option of the State agency, such reporting and inquiry commence at the time of application."

VOLUNTARILY QUITTING A JOB

SEC. 158. (a) The proviso of section 6(d)(1)(iii) (7 U.S.C. 2015(d)(1)(iii)) is amended by striking out "sixty days from the time of the voluntary quit" and inserting in lieu thereof "ninety days from the time of the voluntary quit".

(b) Section 6(d)(1) (7 U.S.C. 2015(d)(1)) is amended by adding at the end thereof the following new sentence: "An employee of the

Federal Government, or of a State or political subdivision of a State, who engaged in a strike against the Federal Government, a State or political subdivision of a State and is dismissed from his job because of his participation in the strike shall be considered to have voluntarily quit such job without good cause."

PARENTS AND CARETAKERS OF CHILDREN

SEC. 159. Clause (C) of section 6(d)(2) (7 U.S.C. 2015(d)(2)(C)) is repealed.

JOINT EMPLOYMENT REGULATIONS

SEC. 160. Paragraph (3) of section 6(d) (7 U.S.C. 2015(d)(3)) is repealed.

COLLEGE STUDENTS

SEC. 161. Section 6(e) (7 U.S.C. 2015(e)) is amended by striking out "or (B)" and all that follows through "or (C)" and inserting in lieu thereof "; (B) is not a parent with responsibility for the care of a dependent child under age six; (C) is not a parent with responsibility for the care of a dependent child above the age of five and under the age of twelve for whom adequate child care is not available; (D) is not receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or (E) is not a student attending a postsecondary institution."

ALTERNATIVE ISSUANCE SYSTEM

SEC. 162. Section 7 (7 U.S.C. 2016) is amended by adding at the end thereof the following new subsection:

"(g)(1) If the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that it would improve the integrity of the food stamp program, the Secretary may require a State agency—

"(A) to issue or deliver coupons using alternative methods, including an automatic data processing and information retrieval system; or

"(B) to issue, in lieu of coupons, reusable documents to be used as part of an automatic data processing and information retrieval system and to be presented by, and returned to, recipients at retail food stores for the purpose of purchasing food.

"(2) The cost of documents or systems that may be required pursuant to this subsection may not be imposed upon a retail food store participating in the food stamp program."

INITIAL ALLOTMENTS

SEC. 163. (a) The first sentence of section 8(c) (7 U.S.C. 2017(c)) is amended by inserting before the period at the end thereof the following: "; except that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than \$10".

(b) Clause (2) of the last sentence of section 8(c) (7 U.S.C. 2017(c)) is amended by striking out "of more than thirty days".

NONCOMPLIANCE WITH OTHER PROGRAMS

SEC. 164. Section 8 (7 U.S.C. 2017) is amended by adding at the end thereof the following new subsection:

"(d) A household against which a penalty has been imposed for an intentional failure to comply with a Federal, State, or local law relating to welfare or a public assistance program may not, for the duration of the penalty, receive an increased allotment as the result of a decrease in the household's income (as determined under sections 5(d) and 5(e)) to the extent that the decrease is the result of such penalty."

HOUSE-TO-HOUSE TRADE ROUTES

SEC. 165. Section 9 (7 U.S.C. 2018) is amended by adding at the end thereof the following new subsection:

"(f) In those areas in which the Secretary, in consultation with the Inspector General of the Department of Agriculture, finds evidence that the operation of house-to-house trade routes damages the program's integrity, the Secretary shall limit the participation in house-to-house trade routes to those routes that are reasonably necessary to provide adequate access to households."

APPROVAL OF STATE PLAN OF OPERATION

SEC. 166. Section 11(d) (7 U.S.C. 2020(d)) is amended by inserting after the first sentence the following new sentence: "The Secretary may not, as a part of the approval process for a plan of operation, require a State to submit for prior approval by the Secretary the State agency instructions to staff, interpretations of existing policies, State agency methods of administration, forms used by the State agency, or any materials, documents, memoranda, bulletins, or other matter, unless the State determines that the materials, documents, memoranda, bulletins, or other matter alter or amend the State plan of operation or conflict with the rights and levels of benefits to which a household is entitled."

POINTS AND HOURS OF CERTIFICATION AND ISSUANCE

SEC. 167. (a) The last sentence of section 11(e)(2) (7 U.S.C. 2020(e)(2)) is amended by striking out "points and hours of certification, and for".

(b) Paragraph (13) of section 11(e) (7 U.S.C. 2020(e)(13)) is repealed.

AUTHORIZED REPRESENTATIVES

SEC. 168. Section 11(e)(7) (7 U.S.C. 2020(e)(7)) is amended by—

(1) striking out "any" each place it appears and inserting in lieu thereof "an"; and

(2) inserting before the semicolon at the end thereof the following: "except that the Secretary may restrict the number of households which may be represented by an individual and otherwise establish criteria and verification standards for representation under this paragraph".

DISCLOSURE OF INFORMATION

SEC. 169. Section 11(e)(8) (7 U.S.C. 2020(e)(8)) is amended by striking out "or the regulations issued pursuant to this Act" and inserting in lieu thereof "regulations issued pursuant to this Act, Federal assistance programs, or federally assisted State programs".

EXPEDITED COUPON ISSUANCE

SEC. 170. Paragraph (9) of section 11(e) (7 U.S.C. 2020(e)(9)) is amended to read as follows:

"(9) that the State agency shall—

"(A) provide coupons no later than five days after the date of application to any household which—

"(i)(I) has gross income that is less than \$150 per month; or

"(II) is a destitute migrant or a seasonal farmworker household in accordance with the regulations governing such households in effect July 1, 1982; and

"(ii) has liquid resources that do not exceed \$100; and

"(B) to the extent practicable, verify the income and liquid resources of the household prior to issuance of coupons to the household;"

PROMPT REDUCTION OR TERMINATION OF BENEFITS

SEC. 171. Section 11(e)(10) (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end thereof the following: "except that in any case in which the State agency receives from the household a written statement containing information that clearly requires a reduction or termination of the household's benefits, the State agency may act immediately to reduce or terminate the household's benefits and may provide notice of its action to the household as late as the date on which the action becomes effective".

DUPLICATION OF COUPONS IN MORE THAN ONE JURISDICTION WITHIN A STATE

SEC. 172. Section 11(e) (7 U.S.C. 2020(e)) is amended by—

(1) striking out "and" at the end of paragraph (20);

(2) striking out the period at the end of paragraph (21) and inserting in lieu thereof "; and"; and

(3) adding at the end thereof the following new paragraph:

"(22) that the State agency shall establish a system and take action on a periodic basis to verify and otherwise assure that an individual does not receive coupons in more than one jurisdiction within the State."

CERTIFICATION SYSTEMS

SEC. 173. Section 11(i) (7 U.S.C. 2020(i)) is amended by adding at the end thereof the following new sentence: "Each State agency shall implement clauses (1) and (2) and may implement clause (3) or both such clauses."

SEC. 174. Section 11 (7 U.S.C. 2020) is amended by adding at the end thereof the following new subsection:

"(n) The Secretary shall require State agencies to conduct verification and implement other measures where necessary, but no less often than annually, to assure that an individual does not receive both coupons and benefits or payments referred to in section 6(g), both coupons and assistance provided in lieu of coupons under section 17(b)(1)."

AMOUNT OF PENALTY AND LENGTH OF DISQUALIFICATION

SEC. 175. Section 12 (7 U.S.C. 2021) is amended by—

- (1) inserting "(a)" after the section designation;
- (2) in the first sentence, striking out "\$5,000" and inserting in lieu thereof "\$10,000";
- (3) striking out the second sentence and inserting in lieu thereof the following new subsection:
- "(b) Disqualification under subsection (a) shall be—
- "(1) for a reasonable period of time, of no less than six months nor more than five years, upon the first occasion of disqualification;
- "(2) for a reasonable period of time, of no less than twelve months nor more than ten years, upon the second occasion of disqualification; and
- "(3) permanent upon the third occasion of disqualification or the first occasion of a disqualification based on the purchase of coupons or trafficking in coupons or authorization cards by a retail food store or wholesale food concern."; and
- (4) designating the last sentence as subsection (c).

BONDS

SEC. 176. (a) Section 12 (7 U.S.C. 2021) (as amended by section 11 of this Act) is amended by adding at the end thereof the following new subsection:

"(d) As a condition of authorization to accept and redeem coupons, the Secretary may require a retail food store or wholesale food concern which has been disqualified or subjected to a civil penalty pursuant to subsection (a) to furnish a bond to cover the value of coupons which such store or concern may in the future accept and redeem in violation of this Act. The Secretary shall, by regulation prescribe the amount, terms, and conditions of such bond. If the Secretary finds that such store or concern has accepted and redeemed coupons in violation of this Act after furnishing such bond, such store or concern shall forfeit to the Secretary an amount of such bond which is equal to the value of coupons accepted and redeemed by such store or concern in violation of this Act. Such store or concern may obtain a hearing on such forfeiture pursuant to section 14."

(b) The first sentence of section 14(a) (7 U.S.C. 2023(a)) is amended by inserting "or a retail food store or wholesale food concern forfeits a bond under section 12(d) of this Act," after "section 12 of this Act."

ALTERNATIVE MEANS OF COLLECTION OF OVERISSUANCES

SEC. 177. (a) Section 13(b)(1) (7 U.S.C. 2022(b)(1)) is amended by—

- (1) inserting "(A)" after the paragraph designation; and
- (2) adding at the end thereof the following new subparagraph:

(B) State agencies may collect any claim against a household arising from the overissuance of coupons based on an ineligibility determination under section 6(b), other than claims collected pursuant to subparagraph (A), by using other means of collection."

(b) Section 13(b)(2) (7 U.S.C. 2022(b)(2)) is amended by—

- (1) inserting "(A)" after the paragraph designation; and
- (2) adding at the end thereof the following new subparagraph:

(B) State agencies may collect any claim against a household arising from the overissuance of coupons, other than claims collected pursuant to paragraph (1) or subparagraph (A), by using other means of collection."

CLAIMS COLLECTION PROCEDURE

SEC. 178. The second sentence of section 13(b)(1)(A) (as amended by section 177(a) of this Act) is amended by inserting "within thirty days of a demand for an election" after "election".

COST-SHARING FOR COLLECTION OF OVERISSUANCES

SEC. 179. The first sentence of section 16(a) (7 U.S.C. 2025(a)) is amended by inserting before the period at the end thereof the following: ", except the value of funds or allotments recovered or collected pursuant to section 13(b)(2) which arise from an error of a State agency".

ERROR RATE REDUCTION SYSTEM

SEC. 180. (a) Section 16 (7 U.S.C. 2025) is amended by—

- (1) amending subsection (c) to read as follows:

"(c) The Secretary is authorized to adjust a State agency's federally funded share of administrative costs pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g), by increasing such share to 60 per centum of all such administrative costs in the case of a State agency which has—

"(1) a payment error rate as defined in subsection (d)(1) which, when added to the total percentage of all allotments underissued to eligible households by the State agency, is less than 5 per centum; and

"(2) a rate of invalid decisions in denying eligibility which is less than a nationwide percentage which the Secretary determines to be reasonable."

(2) striking out subsections (d), (e), and (g) and redesignating subsections (f), (h), and (i) as subsections (e), (f), and (g), respectively; and

(3) inserting after subsection (c) the following new subsection:

"(d)(1) As used in this subsection, the term 'payment error rate' means the total percentage of all allotments issued in a fiscal year by a State agency which are either—

"(A) issued to households which fail to meet basic program-eligibility requirements; or

"(B) overissued to eligible households.

"(2)(A) The Secretary shall institute an error rate reduction program under which, if a State agency's payment error rate exceeds

"(i) 9 per centum for fiscal year 1983,

"(ii) 7 per centum for fiscal year 1984, or

"(iii) 5 per centum for fiscal year 1985 or any fiscal year thereafter,

then the Secretary shall, other than for good cause shown or as provided in subparagraph (B), reduce the State agency's federally funded share of administrative costs provided pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a), under subsection (g), by the amounts required under paragraph (i).

"(B) The Secretary may not reduce a State agency's federally funded share of administrative costs pursuant to subparagraph (A)—

"(i) on the basis of the State agency's payment error rate for fiscal year 1983, if such payment error rate represents a reduction from the State agency's payment error rate for the period beginning on October 1, 1980, and ending on March 31, 1981, of at least 33.3 per centum of the difference between the State agency's payment error rate for such period and 5 per centum or

"(ii) on the basis of the State agency's payment error rate for fiscal year 1984, if such payment error rate represents a reduction from the State agency's payment error rate for the period beginning on October 1, 1980, and ending on March 31, 1981, of at least 66.7 per centum of the difference between the State agency's payment error rate for such period and 5 per centum.

"(3)(A) The Secretary shall reduce a State agency's federally funded share of administrative costs, except as provided in subparagraph (B), by—

"(i) 5 per centum for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2); and

"(ii) if the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum, an additional 5 per centum (for a total of 10 per centum) for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum.

"(B) The Secretary may not reduce a State agency's federally funded share of administrative costs for a fiscal year by an amount that exceeds the product of multiplying—

"(i) the per centum by which the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2); by

"(ii) the total dollar value of all coupons issued by the State agency during the fiscal year.

"(4) The Secretary may require a State agency to report any factors which the Secretary considers necessary to determine the appropriate level of a State agency's federally funded share of administrative costs under this subsection. If a State agency fails to meet the reporting requirements established by the Secretary, the Secretary shall base the determination on all pertinent information available to the Secretary.

"(5) If the Secretary reduces a State agency's federally funded share of administrative costs under this subsection, the State may seek administrative and judicial review of the action pursuant to section 14."

(b)(1) Section 11(e)(3) (7 U.S.C. 2020(e)(3)) is amended by—

(A) striking out "subsections (h) and (i) of section 16" and inserting in lieu thereof "section 16(e)"; and

(B) striking out "quality control program" and inserting in lieu thereof "error rate reduction system".

(2) The first sentence of section 18(e) (7 U.S.C. 2027(e)) is amended by striking out "sections 7(f), 11(c) and (h), 13(b), and 16(g)" and inserting in lieu thereof "sections 7(f), 11(g) and (h), and 13(b)".

EMPLOYMENT REQUIREMENT PILOT PROJECT

SEC. 181. Section 17 (7 U.S.C. 2026) is amended by adding at the end thereof the following new subsection:

"(g)(1) As used in this subsection, the term 'qualification period' means a period of time immediately preceding—

"(A) in the case of a new applicant for benefits under this Act, the date on which application for such benefits is made by the individual; or

"(B) in the case of an otherwise continuing recipient of coupons under this Act, the date on which such coupons would otherwise be issued to the individual.

"(2) Upon application of a State or political subdivision thereof, the Secretary may conduct one pilot project involving the employment requirements described in this subsection in each of four project areas selected by the Secretary.

"(3) Under the pilot projects conducted pursuant to this subsection, except as provided in paragraphs (4), (5), and (6), an individual who resides in a project area shall not be eligible for assistance under this Act if the individual was not employed a minimum of twenty hours per week, or did not participate in a workfare program established under section 20, during a qualification period of—

"(A) thirty or more consecutive days, in the case of an individual whose benefits under a State or Federal unemployment compensation law were terminated immediately before such qualification period began; or

"(B) sixty or more consecutive days, in the case of an individual not described in clause (A).

"(4) The provisions of paragraph (3) shall not apply in the case of an individual who—

"(A) is under eighteen or over fifty-nine years of age;

"(B) is certified by a physician as physically or mentally unable for employment;

"(C) is a parent or other member of a household with responsibility for the care of a dependent child under six years of age or of an incapacitated person;

"(D) is a parent or other caretaker of a child under six years of age in a household in which there is another parent who, unless covered by clause (A) or (B), or both such clauses, is employed a minimum of twenty hours per week or participating in a workfare program established under section 20;

"(E) is in compliance with section 6(d) and demonstrates, in a manner prescribed by the Secretary, that the individual is able and willing to accept employment but is unable to obtain such employment; or

"(F) is a member of any other group described by the Secretary.

"(5) The Secretary may waive the requirements of paragraph (4) in the case of all individuals within all or part of a project area if the Secretary finds that such area—

"(A) has an unemployment rate of over 10 per centum; or

"(E) does not have a sufficient number of jobs to provide employment for individuals subject to this subsection.

"(6) An individual who has become ineligible for assistance under this Act by reason of paragraph (3) may reestablish eligibility for assistance after a period of ineligibility by—

"(1) becoming employed for a minimum of twenty hours per week during any consecutive thirty-day period; or

"(2) participating in a workfare program established under section 20 during any consecutive thirty-day period."

BENEFIT IMPACT STUDY

SEC. 182. Section 17 (7 U.S.C. 2026) (as amended by section 181 of this Act) is amended by adding at the end thereof the following new subsection:

"(h) The Secretary shall conduct a study of the effects of reductions made in benefits provided under this Act pursuant to part I of subtitle A of title I of the Omnibus Budget Reconciliation Act of 1981, the Food Stamp and Commodity Distribution Amendments of 1981, the Food Stamp Act Amendments of 1982, and any other laws enacted by the Ninety-seventh Congress which affect the food stamp program. The study shall include a study of the effect of retrospective accounting and periodic reporting procedures established under such Acts, including the impact on benefit and administrative costs and on error rates and the degree to which eligible households are denied food stamp benefits for failure to file complete periodic reports. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an interim report on the results of such study no later than February 1, 1984, and a final report on the results of such study no later than March 1, 1985."

AUTHORIZATION FOR APPROPRIATIONS

SEC. 183. The first sentence of section 18(a)(1) (7 U.S.C. 2027(a)(1)) is amended by—

(1) striking out "and" after "September 30, 1981"; and

(2) inserting before the period at the end thereof the following: "; not in excess of \$12,874,000,000 for the fiscal year ending September 30, 1983; not in excess of \$13,145,000,000 for the fiscal year ending September 30, 1984; and not in excess of \$13,933,000,000 for the fiscal year ending September 30, 1985."

PUERTO RICO BLOCK GRANT

SEC. 184. (a) Section 19(a)(1)(A) (7 U.S.C. 2028(a)(1)(A)) is amended by inserting "noncash" after "expenditures for".

(b) The amendment made by subsection (a) shall not apply with respect to any plan submitted under section 19(b) of the Food Stamp Act of 1977 (7 U.S.C. 2028(b)) by the Commonwealth of Puerto Rico in order to receive payments for the fiscal year ending September 30, 1982, or the fiscal year ending September 30, 1983.

(c) The Secretary of Agriculture shall conduct a study of the impact of making food assistance available to needy persons in the Commonwealth of Puerto Rico in the form of cash under section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028). The study shall include an analysis of the impact on both the nutritional status of residents of the Commonwealth and the economy of the Commonwealth. The secretary shall submit a report of the findings of such study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than six months after the effective date of this subtitle.

SIMILAR WORKFARE PROGRAMS

SEC. 185. Section 20(a) (7 U.S.C. 2029(a)) is amended by—

(1) inserting "(1)" after the subsection designation; and

(2) adding at the end thereof the following new paragraph:

"(2)(A) The Secretary shall promulgate guidelines pursuant to paragraph (1) which, to the maximum extent practicable, enable a political subdivision to design and operate a workfare program under this section which is compatible and consistent with similar workfare programs operated by the subdivision.

"(B) A political subdivision may comply with the requirements of this section by operating—

"(i) a workfare program pursuant to title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) any other workfare program which the Secretary determines meets the provisions and protections provided under this section."

WIN PARTICIPANTS

SEC. 186. Clause (4) of section 20(b) (7 U.S.C. 2029(b)) is amended by striking out "subject to and currently involved" and inserting in lieu thereof "at the option of the operating agency, subject to and currently actively and satisfactorily participating".

HOURS OF WORKFARE

SEC. 187. Section 20(c) (7 U.S.C. 2029(c)) is amended by striking out "either" and all that follows through the end of the sentence and inserting in lieu thereof: "; when added to any other work performed during such week by such member for compensation in any or in kind) in any other capacity, exceeds thirty hours a week".

REIMBURSEMENT FOR WORKFARE ADMINISTRATIVE EXPENSES

SEC. 188. Section 20(g) (7 U.S.C. 2029(g)) is amended by—

(1) redesignating paragraph (2) as paragraph (3), and

(2) inserting after paragraph (1) the following new paragraph:

"(2)(A) From 50 per centum of the funds saved from employment related to a workfare program operated under this section the Secretary shall pay to each operating agency an amount not to exceed the administrative expenses described in paragraph (3) for which no reimbursement is provided under such paragraph."

"(B) For purposes of subparagraph (A), the term 'funds saved from employment related to a workfare program operated under this section' means an amount equal to three times the dollar value of the decrease in allotments issued to households to the extent that such decrease results from wages received by members of such households for the first month of employment beginning after the date such members commence such employment if such employment commences—

"(i) while such members are participating for the first time in a workfare program operated under this section;

"(ii) in the thirty-day period beginning on the date such first participating is terminated."

TECHNICAL CORRECTIONS

SEC. 189. (a) Section 5(f)(2)(A) (as amended by section 101(a) of the Omnibus Budget Reconciliation Act of 1981 (95 Stat. 360)) is amended by striking out "prosecutive" and inserting in lieu thereof "prospective".

(b)(1) Clause (2) of section 6(g) (7 U.S.C. 2015(g)) is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(2) Section 11 (7 U.S.C. 2020) is amended by—

(A) in subsection (i), striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services"; and

(B) in subsection (j), striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(3) The second sentence of section 16(e) (as redesignated by section 180(a)(2) of this Act) is amended by striking out "Secretary of Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Secretary of Health and Human Services".

(c) Section 16(f) (as redesignated by section 180(a)(2) of this Act) is amended by striking out "; and" and inserting in lieu thereof a period.

CONFORMING AMENDMENTS

SEC. 190 (a) Section 6(d)(2) (7 U.S.C. 2015(d)(2)) (as amended by section 159 of this Act) is amended by redesignating clauses (D) through (F) as clauses (C) through (E), respectively.

(b) Section 6(d) (7 U.S.C. 2015(d)) (as amended by section 160 of this Act) is amended by redesignating paragraph (4) as paragraph (5).

(c) Section 11(e) (17 U.S.C. 2020(e)) (as amended by sections 157, 161, and 172 of this Act) is amended by redesignating paragraphs (1) through (22) as paragraphs (13) through (34), respectively.

(d) Section 7(f) (7 U.S.C. 2016(f)) is amended by striking out "section 11(e)(21)" and inserting in lieu thereof "section 11(e)(20)".

(e) Section 17 (7 U.S.C. 2026) (as amended by sections 152(c), 181, and 182 of this Act) is amended by redesignating subsections (f) through (h) as subsections (d) through (f), respectively.

DISTRIBUTION OF SURPLUS COMMODITIES

SEC. 191. (a) The Congress finds that—

(1) for an increasing number of people in the United States, these are times of great suffering and deprivation;

(2) rising unemployment, decreasing appropriations for social services, and increasingly adverse economic conditions have all contributed to produce hunger and want on a scale not experienced since the time of the Great Depression;

(3) the demand for every conceivable form of assistance for the hungry and needy people of the United States grows more critical daily, while the availability of goods and services to meet the needs of such people is rapidly diminishing;

(4) soup kitchens, food banks, and other organizations which provide food to the hungry report an astronomical increase in the number of persons seeking the assistance of such organizations;

(5) according to a study completed by the General Accounting Office in 1977, one hundred and thirty-seven million tons of food, or more than 20 per centum of this country's total annual food production, is wasted or discarded in the United States each year;

(6) at wholesale and retail food distributors, shipping terminals, and other establishments all across the country, enormous quantities of fresh fruits and vegetables and dated dairy and bakery products are discarded each day, while growing numbers of Americans go to bed hungry and undernourished each night;

(7) in these times of budget constraints and appeals for reductions in Federal spending, the use of private resources to meet the basic food requirements of our citizens should be encouraged; and

(8) many States and local governments have not enacted laws which limit the liability of food donors, such as so-called Good Samaritan Acts and donor liability laws, and thus have discouraged donation of food to the needy by private persons.

(b) It is the sense of the Congress that—

(1) departments and agencies of the Federal Government should take such steps as may be necessary to distribute to

hungry people of the United States surplus food or food which would otherwise be discarded;

(2) State and local governments which have not yet enacted so-called Good Samaritan or donor liability laws to encourage private cooperative efforts to provide food for hungry people within their respective jurisdictions should do so as quickly as possible; and

(3) wholesale and retail food distributors, shipping terminals and other establishments should work more closely with religious, community, and other charitable organizations to make wholesome food which is currently being wasted or discarded in such establishments available for immediate distribution to hungry people of the United States.

EFFECTIVE DATES OF PRIOR AMENDMENTS TO THE FOOD STAMP ACT OF 1977

SEC. 192. (a) Notwithstanding section 117 of the Omnibus Budget Reconciliation Act of 1981 (7 U.S.C. 2012 note), the amendments made by sections 101 through 114 of such Act, other than sections 107(b) and 108(c) of such Act, shall take effect on the earlier of the date of the enactment of this subtitle or the date on which such amendments became effective pursuant to section 117 of such Act.

(b) Notwithstanding section 1338 of the Agriculture and Food Act of 1981 (7 U.S.C. 2012 note), the amendments made by sections 115 through 1333 of such Act shall take effect on the earlier of the date of the enactment of this subtitle or the date on which such amendments became effective pursuant to section 1338 of such Act.

EFFECTIVE DATES

SEC. 193. (a) Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on the date of the enactment of this subtitle.

(b) Sections 180 and 188 shall take effect on October 1, 1982.

TITLE II—BANKING

TREATMENT OF FHA SINGLE-FAMILY MORTGAGE INSURANCE PREMIUMS

SEC. 201. (a) Section 203(b) of the National Housing Act is amended by—

(1) inserting after "150 per centum of such median price" in the first sentence of paragraph (2) the following: "Provided, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(2) inserting after "cost of acquisition" in paragraph (9) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

(b) Section 203(c) of such Act is amended by inserting the following before the period at the end of the fourth sentence: "Provided, That with respect to mortgages (1) for which the Secretary requires at the time the mortgage is insured, the payment of a single premium charge to cover the total premium obligation for the insurance of the mortgage, and (2) on which the principal obligation is paid

the number of years on which the premium with respect to a particular mortgage was based, or the property is sold subject to the mortgage or is sold and the mortgage is assumed prior to such time, the Secretary shall provide for refunds, where appropriate, of a portion of the premium paid and shall provide for appropriate allocation of the premium cost among the mortgagors over the term of the mortgage, in accordance with procedures established by the Secretary, which take into account sound financial and actuarial considerations".

Section 213(b)(2) of such Act is amended by inserting after "extended by not to exceed 90 per centum in such an area" the following: "Provided further, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

Section 221(d) of such Act is amended by—

(1) inserting after "in any geographical area where he finds that cost levels so require" in paragraph (2)(A) the following: "Provided further, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) inserting after "of its acquisition cost" in paragraph 2(B)(i)(2) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)"; and

(3) striking out "mortgage insurance premium," in paragraph 2(B)(i)(2).

Section 234(c) of such Act is amended by inserting after "one-family house price in the area, as determined by the Secretary" in clause (A) of the third sentence thereof the following: "Provided, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

Section 235(i) of such Act is amended by—

(1) inserting after "respectively" in paragraph (3)(B) the following: "Provided, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) inserting after "respectively" in paragraph (3)(C) the following: "Provided, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(3) inserting after "so require" in paragraph (3)(D) the following: "Provided, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(4) inserting after "acquisition" in paragraph (3)(E) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

(g) The amendments made by this section, other than by subsection (b), may be implemented only if the Secretary determines that the program of advance payment of insurance premiums, with specific regard to the effect of the provisions authorized by the amendments made by this section, is actuarially sound.

BUREAU OF THE MINT

SEC. 202. The last sentence of section 3552 of the Revised Statutes (31 U.S.C. 369) is amended to read as follows: "There are authorized to be appropriated for fiscal year 1983 not to exceed \$50,165,000, all expenditures (salaries and expenses) of the mints and assay offices not herein otherwise provided for."

TITLE III—CIVIL SERVICE PROGRAMS AND GOVERNMENT OPERATIONS

Subtitle A—Civil Service Programs

COST-OF-LIVING ADJUSTMENTS DURING FISCAL YEARS 1983, 1984, AND 1985

SEC. 301. (a)(1) Except as provided in paragraph (3), the cost-of-living increase under any Government retirement system in annuity or retired or retainer pay of any early retiree during fiscal years 1983, 1984, and 1985, shall be equal to one-half of the assumed increase in the price index for that year.

(2) For purposes of this subsection, an individual shall be considered to be an early retiree if—

(A) the individual is under the age of 62 years as of the effective date of the cost-of-living increase involved (determined without regard to subsection (b));

(B) the annuity or retired or retainer pay of the individual is not computed in whole or in part based on any disability of the individual; and

(C) the annuity or retired or retainer pay of the individual is based upon the Government service of the individual.

(3) If the percentage increase in the price index for fiscal year 1983, 1984, or 1985 (as determined by the Office of Personnel Management) exceeds the assumed increase in the price index for that year, then the increase in the annuity or retired or retainer pay of an early retiree under paragraph (1) for that fiscal year shall be equal to—

(A) one-half of the assumed increase in the price index for that year, plus

(B) the amount by which the percentage increase in the price index exceeds the assumed price index increase.

(4) As used in this subsection—

(A) the term "price index" has the meaning given such term in section 8331(15) of title 5, United States Code; and

(B) the term "assumed increase in the price index" means

(i) 6.6 percent, in the case of fiscal year 1983,

(ii) 7.2 percent, in the case of fiscal year 1984, and

(iii) 6.6 percent, in the case of fiscal year 1985.

(5) The amount of any survivor annuity which is based on the service of any early retiree subject to this subsection shall be computed as if this subsection had not been enacted.

(b)(1) Notwithstanding any other provision of law, any cost-of-living increase under a Government retirement system shall not take effect until—

(A) the first day of the first calendar month after the date such increase would otherwise take effect, in the case of increases taking effect during fiscal year 1983;

(B) the first day of the second calendar month after the date such increase would otherwise take effect, in the case of increases taking effect during fiscal year 1984; and

(C) the first day of the third calendar month after the date such increase would otherwise take effect, in the case of increases taking effect during fiscal year 1985.

Nothing in this subsection shall be construed to affect the eligibility for any increase in annuity or retired or retainer pay or the amount of the first increase in annuity or retired or retainer pay under section 8340 (b) or (c) of title 5, United States Code, or comparable provisions of law.

For purposes of this section, the term "cost-of-living increase under a Government retirement system" means any increase under—

(1) section 8340(b) of title 5, United States Code;

(2) section 826 of the Foreign Service Act of 1980;

(3) the Central Intelligence Agency Act of 1964 for Certain Employees (50 U.S.C. 403 note);

(4) section 1401a(b) of title 10, United States Code; or

(5) any other adjustment of any annuity under a retirement system for Government officers or employees which the President determines, by Executive order, is based on adjustments under any of the provisions referred to in the preceding paragraphs.

(1) In the case of any member or former member of a uniformed service who, during any period in fiscal year 1983, 1984, or 1985, is receiving retired or retainer pay and holds a civilian position, there shall be deducted from the pay for such position an amount equal to the amount of any increase in such individual's retired or retainer pay pursuant to section 1401a(b) of title 10, United States Code, which takes effect during any of such fiscal years in which he holds such a civilian position and which is allocable to the period of actual employment in such civilian position. The amounts so deducted shall be deposited into the general fund of the Treasury of the United States.

(2) For the purpose of this subsection—

(A) the term "uniformed service" has the meaning given that term by section 2101 of title 5, United States Code; and

(B) the term "civilian position" means a position, as defined in section 5531(2) of title 5, United States Code.

(3) This subsection shall not apply to reduce the salary of any person whose compensation may not, under section 1 of article III of the Constitution of the United States, be diminished during such individual's continuance in office.

(4) The reduction in pay required by this subsection does not apply to a member or former member of a uniformed service receiving retired or retainer pay whose retired or retainer pay is computed, in whole or in part, based on disability—

(A) resulting from injury or disease received in line of duty as a direct result of armed conflict; or

(B) caused by an instrumentality of war and incurred in the line of duty during a period of war as defined by sections 101 and 301 of title 38, United States Code.

DISABILITY RETIREMENT

SEC. 302. (a) Section 8337 of title 5, United States Code, is amended—

(1) by striking out "1 year" in the second sentence of subsection (d) and inserting in lieu thereof "180 days";

(2) by striking out "each of 2 succeeding calendar years" in the third sentence of subsection (d) and inserting in lieu thereof "any calendar year"; and

(3) by adding at the end thereof the following new subsection: "(h)(1) As used in this subsection, the term 'technician' means an individual employed under section 709(a) of title 32 who, as a condition of the employment, is required under section 709(b) of such title to be a member of the National Guard and to hold a specified military grade.

"(2)(A) Except as provided in subparagraph (B) of this paragraph, an individual shall be retired under this section if the individual:

"(i) is separated from employment as a technician under section 709(e)(1) of title 32 by reason of a disability that disqualifies the individual from membership in the National Guard or from holding the military grade required for such employment;

"(ii) is not considered to be disabled under the second sentence of subsection (a) of this section;

"(iii) is not appointed to a position in the Government (whether under paragraph (3) of this subsection or otherwise); and

"(iv) has not declined an offer of an appointment to a position in the Government under paragraph (3) of this subsection.

"(B) Payment of any annuity for an individual pursuant to this subsection terminates—

"(i) on the date the individual is appointed to a position in the Government (whether pursuant to paragraph (3) of this subsection or otherwise);

"(ii) on the date the individual declines an offer of appointment to a position in the Government under paragraph (3) of this subsection;

"(iii) as provided under subsection (d).

"(3) Any individual applying for or receiving any annuity pursuant to this subsection shall, in accordance with regulations prescribed by the Office, be considered by any agency of the Government before any vacant position in the agency is filled if—

"(A) the position is located within the commuting area of the individual's former position;

"(B) the individual is qualified to serve in such position, as determined by the head of the agency; and

"(C) the position is at the same grade or equivalent level as the position from which the individual was separated under section 709(e)(1) of title 32."

(b) Section 8347(m) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (1) and inserting a semicolon in lieu thereof;

(2) by striking out the period at the end of paragraph (2) and inserting a semicolon in lieu thereof; and

(3) by adding at the end thereof the following new paragraphs:

"(3) the Secretary of Health and Human Services or the Secretary's designee shall provide information contained in the records of the Social Security Administration; and

"(4) the Secretary of Labor or the Secretary's designee shall provide information on benefits paid under subchapter I of chapter 81 of this title."

(c) Except as provided in paragraphs (2) and (3), the amendments made by subsections (a) and (b) shall take effect October 1, 1982, and shall apply with respect to individuals retiring on or after that date.

The amendments made by paragraphs (1) and (2) of subsection (a) shall take effect with respect to income earned after December 31, 1982.

Subsection (h) of section 8337 of title 5, United States Code (as added by subsection (a)) shall apply to any technician (as defined in paragraph (1) of such subsection (h)) who separated from employment as a technician on or after December 31, 1979, and before October 1, 1982, if application therefor is made to the Office of Personnel Management within 12 months after the date of the enactment of this Act. Any annuity resulting from such application shall commence on the day after the date such application is received by the Office.

INTEREST RATES, DEPOSITS, REFUNDS, AND REDEPOSITS

SEC. 303. (a)(1) Section 8334(e) of title 5, United States Code, is amended to read as follows:

"(1) Interest under subsection (c), (d), or (j) of this section is computed in accordance with paragraphs (2) and (3) of this subsection and regulations prescribed by the Office of Personnel Management.

(2) Interest accrues annually on the outstanding portion of any amount that may be deposited under subsection (c), (d), or (j) of this section, and is compounded annually, until the portion is deposited. Such interest is computed from the mid-point of each service period included in the computation, or from the date refund was paid. The deposit may be made in one or more installments. Interest may not be charged for a period of separation from the service which began before October 1, 1956.

(3) The rate of interest is 4 percent a year through December 31, 1947, and 3 percent a year beginning January 1, 1948, through December 31, 1984. Thereafter, the rate of interest for any calendar year shall be equal to the overall average yield to the Fund during the preceding calendar year from all obligations purchased by the Secretary of the Treasury during such calendar year under section 8343(c), (d), and (e) of this title, as determined by the Secretary."

(4) The second sentence of section 8343(a) of title 5, United States Code, is amended by inserting after "at 3 percent a year" the following: "through December 31, 1984, and thereafter at the rate computed under section 8334(e) of this title."

(b) Section 8339(i) of title 5, United States Code, is amended to read as follows:

"(i) For the purposes of subsections (a)-(h) and (n) of this section, the total service of any employee or Member shall not include the period of civilian service after July 31, 1920, for which retirement deductions or deposits have not been made under section 8334 of this title unless—

"(1) the employee or Member makes a deposit for such service as provided in section 8334 (c) or (d) of this title; or

"(2) no deposit is required for such service, as provided in section 8334(g) of this title or under any statute."

(c) Section 8342(a) of title 5, United States Code, is amended to read as follows:

"(a) An employee or Member who—

"(1)(A) is separated from the service for at least thirty consecutive days; or

"(B) is transferred to a position in which he is not subject to this subchapter and remains in such position for at least thirty consecutive days;

"(2) files an application with the Office of Personnel Management for payment of the lump-sum credit;

"(3) is not reemployed in a position in which he is subject to this subchapter at the time he files the application; and

"(4) will not become eligible to receive an annuity within thirty-one days after filing the application,

is entitled to be paid the lump-sum credit. The receipt of the lump-sum credit by the employee or Member terminates his annuity rights under this subchapter based on the service on which the lump-sum credit is based, until the employee or Member is reemployed in the service subject to this subchapter."

(d)(1) The amendments made by subsections (a) and (b) shall apply with respect to deposits for service performed on or after October 1, 1982, and with respect to refunds made on or after such date. The provisions of section 8334 and section 8339(i) of title 5, United States Code, as in effect the day before the date of the enactment of this Act, shall continue to apply with respect to periods of service and refunds occurring on or before such date.

(2) The amendment made by subsection (c) shall take effect October 1, 1982.

ROUNDING DOWN OF CIVIL SERVICE RETIREMENT ANNUITIES

SEC. 304. (a) The first sentence of section 8340(e) of title 5, United States Code, is amended by striking out "fixed at the nearest" and inserting in lieu thereof "rounded to the next lowest".

(b) Section 8345(a) of title 5, United States Code, is amended by striking out "fixed at the nearest" and inserting in lieu thereof "rounded to the next lowest".

(c) The amendments made by subsections (a) and (b) shall apply with respect to any annuity commencing on or after October 1, 1982, and with respect to any adjustment or redetermination of any annuity made on or after such date.

LATER COMMENCEMENT DATE FOR CERTAIN ANNUITIES

SEC. 305. (a) Section 8345(b) of title 5, United States Code, is amended to read as follows:

"(1) Except as otherwise provided—

"(A) an annuity of an employee or Member commences on the first day of the month after—

"(i) separation from the service; or

"(ii) pay ceases and the service and age requirements for title to annuity are met; and

"(B) any other annuity payable from the Fund commences on the first day of the month after the occurrence of the event on which payment thereof is based.

"The annuity of—

"(A) an employee involuntarily separated from service, except by removal for cause on charges of misconduct or delinquency; and

"(B) an employee or Member retiring under section 8337 of this title due to a disability;

shall commence on the day after separation from the service or the day after pay ceases and the service and age or disability requirements for title to annuity are met."

The amendment made by subsection (a) shall apply to annuities which commence on or after October 1, 1982.

CREDITABLE SERVICE BASED ON MILITARY SERVICE

SEC. 306. (a) Section 8331(8)(B) of title 5, United States Code, is amended by inserting after "service" a comma and "including any amounts deposited under section 8334(j) of this title".

(b) Section 8332(c) of title 5, United States Code, is amended to read as follows:

"(1) Except as provided in paragraph (2) of this subsection and section (d) of this section—

"(A) the service of an individual who first becomes an employee or Member before October 1, 1982, shall include credit for each month of military service performed before the date of the separation on which the entitlement to an annuity under this subchapter is based, subject to section 8332(j) of this title; and

"(B) the service of an individual who first becomes an employee or Member on or after October 1, 1982, shall include credit for each month of military service (performed before the date of the separation on which the entitlement to an annuity under this subchapter is based) only if a deposit with interest, if any, is made with respect to that month, as provided in section 8334(j) of this title.

(2) If an employee or Member is awarded retired pay based on a period of military service, the service of the employee or Member shall not include credit for such period of military service unless the retired pay is awarded—

"(A) based on a service-connected disability—

"(i) incurred in combat with an enemy of the United States; or

"(ii) caused by an instrumentality of war and incurred in the line of duty during a period of war as defined by section 301 of title 38; or

"(B) under chapter 67 of title 10."

(c) Subsection (j) of section 8332 of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(j)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The provisions of paragraph (1) of this subsection relating to credit for military service shall not apply to—

"(A) any month of military service of an employee or Member with respect to which the employee or Member has made a deposit with interest, if any, under section 8334(j) of this title;

"(B) the service of any employee or Member described in section 8332(c)(1)(B) of this title."

(d) Section 8334 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(j)(1) Each employee or Member who has performed military service before the date of the separation on which the entitlement to an annuity under this subchapter is based may pay, in accordance with such regulations as the Office shall issue within 90 days after the effective date of this subsection, to the agency by which the employee is employed or, in the case of a Member or a Congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 7 percent of the amount of the basic pay paid under section 204 of title 37 to the employee or Member for each month of military service after December 1956, as certified to the agency, the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, by the Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, upon the employee's or Member's request.

"(2) Any deposit made under paragraph (1) of this subsection must be made not later than two years after the later of—

"(A) October 1, 1982; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

and the amount deposited shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the two-year period. The interest rate that is applicable in computing interest for any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e) of this section.

"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office for deposit in the Treasury of the United States to the credit of the Fund.

"(4) The Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, shall furnish such information to the Office for deposit as the Office may determine to be necessary for the administration of this subsection."

Section 8334(g)(2) of title 5, United States Code, is amended by striking after "military service" the following: ", except to the extent provided under section 8332(c) or section 8334(j) of this title".

Section 8348(g) of title 5, United States Code, is amended by striking out the period at the end of the first sentence and inserting therefor a comma and "less an amount determined by the Office to be appropriate to reflect the value of the deposits made to the credit of the Fund under section 8334(j) of this title."

The amendments made by this section shall take effect October 1, 1982.

ALCOMPUTATION AT AGE 62 OF CREDIT FOR MILITARY SERVICE OF CURRENT ANNUITANTS

SEC. 307. (a) The provisions of section 8332(j) of title 5, United States Code, relating to credit for military service, shall not apply with respect to any individual who is entitled to an annuity under subchapter III of chapter 83 of title 5, United States Code, on or after the date of enactment of this Act.

Subject to subsection (b), in any case in which an individual described in subsection (a) is also entitled to old-age insurance benefits under section 202(a) of the Social Security Act (or would be entitled to such benefits upon filing application therefor), the amount of the annuity to which such individual is entitled under subchapter III of chapter 83 of title 5, United States Code, (after taking into account subsection (a)) which is payable for any month shall be reduced by an amount determined by multiplying the amount of such old-age insurance benefit for the determination month by a fraction—

(1) the numerator of which is the total of the wages (within the meaning of section 209 of the Social Security Act) for service referred to in section 210(1) of such Act (relating to service in the uniformed services) and deemed additional wages (within the meaning of section 229 of such Act) of such individual credited for years after 1956 and before the calendar year in which the determination month occurs, up to the contribution and benefit base determined under section 230 of the Social Security Act (or other applicable maximum annual amount referred to in section 215(e)(1) of such Act) for each such year, and

(2) the denominator of which is the total of all wages and deemed additional wages described in paragraph (1) of this subsection plus all other wages (within the meaning of section 209 of such Act) and all self-employment income (within the meaning of section 211(b) of such Act) of such individual credited for years after 1936 and before the calendar year in which the determination month occurs, up to the contribution and benefit base (or such other amount referred to in such section 215(e)(1)) for each such year.

Subsection (b) shall not reduce the annuity of any individual below the amount of the annuity which would be payable under subchapter III of chapter 83 of title 5, United States Code, applied to the individual for such month.

(d) For purposes of this section, the term "determination month" means—

(1) the first month the individual described in subsection (a) is entitled to old-age insurance benefits under section 202(a) of the Social Security Act (or would be entitled to such benefits upon filing application therefor); or

(2) October 1982, in the case of any individual so entitled to such benefits for such month.

(e) The preceding provisions of this section shall take effect with respect to any annuity payment payable under subchapter III of chapter 83 of title 5, United States Code, for calendar months beginning after September 30, 1982.

(f) The Secretary of Health and Human Services shall furnish such information to the Office of Personnel Management as may be necessary to carry out the preceding provisions of this section.

IMMEDIATE RETIREMENT

SEC. 308. (a) Subsection (d) of section 8336 of title 5, United States Code, is amended to read as follows:

"(d) An employee who—

"(1) is separated from the service involuntarily, except by removal for cause on charges of misconduct or delinquency; or

"(2) while serving in a geographic area designated by the Office of Personnel Management, is separated from the service voluntarily during a period in which the Office determines that—

"(A) the agency in which the employee is serving is undergoing a major reorganization, a major reduction in force, or a major transfer of function; and

"(B) a significant percent of the employees serving in such agency will be separated or subject to an immediate reduction in the rate of basic pay (without regard to subchapter VI of chapter 53 of this title or comparable provisions);

after completing 25 years of service or after becoming 50 years of age and completing 20 years of service is entitled to an annuity. Notwithstanding the first sentence of this subsection, an employee described in paragraph (1) of this subsection is not entitled to an annuity under this subsection if the employee has declined a reasonable offer of another position in the employee's agency for which the employee is qualified, which is not lower than 2 grades (or pay levels) below the employee's grade (or pay level), and which is within the employee's commuting area."

(b) The amendment made by subsection (a) shall take effect October 1, 1982.

GENERAL LIMITATION ON COST-OF-LIVING ADJUSTMENT FOR ANNUITIES

SEC. 309. (a) Section 8340 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(g)(1) An annuity shall not be increased by reason of any adjustment under this section to an amount which exceeds the greater of—

"(A) the maximum pay payable for GS-15 30 days before the effective date of the adjustment under this section; or

"(B) the final pay (or average pay, if higher) of the employee or Member with respect to whom the annuity is paid, increased by the overall annual average percentage adjustments (compounded) in rates of pay of the General Schedule under subchapter I of chapter 53 of this title during the period—

"(i) beginning on the date the annuity commenced (or, in the case of a survivor of the retired employee or Member, the date the employee's or Member's annuity commenced), and

"(ii) ending on the effective date of the adjustment under this section.

(2) For the purposes of paragraph (1) of this subsection, 'pay' means the rate of salary or basic pay as payable under any provision of law, including any provision of law limiting the expenditure of appropriated funds."

(b) The amendment made by subsection (a) of this section shall not cause any annuity to be reduced below the rate that is payable on the date of the enactment of this Act, but shall apply to any adjustment occurring on or after such date of enactment under section 8340 of title 5, United States Code, to any annuity payable from the Civil Service Retirement and Disability Fund, whether such annuity has a commencing date before, on, or after the date of enactment of this Act.

FEDERAL EMPLOYEE PAY ADJUSTMENT; EXECUTIVE PAY REVIEW

SEC. 310. (a)(1) Notwithstanding any other provision of law, if—

(A) before September 1, 1982, the President transmits to the Congress pursuant to section 5305 (c)(1) of title 5, United States Code, an alternative plan which provides for an overall percentage pay adjustment which is less than 4 percent, and

(B) the alternative plan referred to in subparagraph (A) is disapproved pursuant to such section 5305,

the rates of pay under the General Schedule and the rates of pay under the other statutory pay systems shall be increased under the provisions of such section 5305 by 4 percent in the case of fiscal year 1983.

(2) Each increase in a pay rate or schedule which takes effect pursuant to paragraph (1) shall, to the maximum extent practicable, be of the same percentage, and shall take effect on the first day of the first applicable pay period commencing on or after October 1 of such fiscal year.

(b)(1) Notwithstanding any other provision of law, effective with respect to fiscal years 1984 and 1985, and applicable in the case of an employee under the General Schedule, any hourly rate derived under section 5504(b)(1) of title 5, United States Code, shall be determined by dividing the annual rate of basic pay by 2,087.

(2) Paragraph (1) shall not apply in determining basic pay for purposes of subchapter III of chapter 83 of title 5, United States Code.

(3) The Office of Personnel Management may prescribe regulations necessary for the administration of this subsection insofar as this subsection affects employees in or under an Executive agency.

(c) In accordance with section 225 of the Postal Revenue and General Salary Act of 1967 (81 Stat. 642-645), except as otherwise provided in this subsection, the Commission on Executive, Legislative and Judicial Salaries shall be convened, conduct appropriate views as prescribed by section 225(f) of such Act, and submit to the President on or before November 15, 1982, a report as described in section 225(g) of such Act, and the President shall submit to Congress, as soon as practicable after receipt of such report, recommendations with respect to the rates of pay which he deems advisable for the offices and positions covered by such report. Such recommendations shall be effective for any pay period which is more than 30 calendar days after submission to the Congress, unless the Congress during such 30-day period disapproves such recommendations by concurrent resolution.

Subtitle B—Limitation on Travel and Transportation Expenses

TRAVEL AND TRANSPORTATION EXPENSES FOR VACATION LEAVE

SEC. 351. (a) Section 5728 of title 5, United States Code, is amended by inserting a comma and "Alaska, and Hawaii" after "continental United States" each place it occurs in subsections (a) and (b).

(b) Such section is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) Under such regulations as the President may prescribe, an agency may pay, subject to paragraph (3) of this subsection, the expenses described in paragraph (2) of this subsection in any case in which the head of the agency determines that the payment of such expenses is necessary for the purpose of recruiting or retaining an employee for service of a tour of duty at a post of duty in Alaska or Hawaii.

"(2) The expenses payable under paragraph (1) of this subsection are the expenses of round-trip travel of an employee, and the transportation of his immediate family, but not household goods, from his post of duty in Alaska or Hawaii to the place of his actual residence at the time of appointment or transfer to the post of duty incurred after he has satisfactorily completed an agreed period of service in Alaska or Hawaii and in returning to his actual place of residence to take leave before serving another tour of duty at the same or another post of duty in Alaska or Hawaii under a new written agreement made before departing from the post of duty.

"(3) The payment of expenses of any employee and the transportation of his family under paragraph (1) of this subsection is limited to the expenses of travel and transportation incurred for not more than two round trips commenced within 5 years after the date the employee first commences any period of consecutive tours of duty in Alaska or Hawaii."

(c) Notwithstanding section 5728(c)(3) of title 5, United States Code (as added by subsection (b)(2) of this section), the agency shall pay under section 5728(c)(1) of such title (as added by subsection (b)(2) of this section) the expenses of one round-trip of travel of an employee who has served on consecutive tours of duty at posts of

in Alaska or Hawaii for a period beginning at least five years before the date of enactment of this Act and including such date and the expenses of transportation of such employee's immediate family on one round-trip.

The amendments made by subsection (a) shall take effect with respect to expenses incurred after the date of enactment of this Act of round-trip travel (commenced after such date) of an employee or transportation of his immediate family from his post of duty to the place of his actual residence at the time of appointment or transfer to the post of duty.

For the purposes of subsections (c) and (d), the term "employee" shall have the same meaning as provided in section 5721(2) of title 5, United States Code.

Subtitle C—Cost-of-Living Adjustments

UNIFORMED SERVICES

SEC. 361. For cost savings achieved through a limitation on the amount of the annual adjustment of retired and retainer pay of members and former members of the uniformed services, in satisfaction of the reconciliation requirements of section 2(b)(2), section 2(c)(4), and section 2(c)(4) of the first concurrent resolution on the budget for fiscal year 1983, see section 301 of this Act and section 1401a(b) of title 10, United States Code.

COAST GUARD

SEC. 362. For cost savings achieved through a limitation on the amount of the annual adjustment of retired and retainer pay of members and former members of the uniformed services, in satisfaction of the reconciliation requirements of section 2(b)(4) and section 2(c)(4) of the first concurrent resolution on the budget for fiscal year 1983, see section 301 of this Act and section 1401a(b) of title 10, United States Code.

FOREIGN SERVICE

SEC. 363. For cost savings achieved through a limitation on the amount of the annual adjustment of the annuity payable from the Foreign Service Retirement and Disability Fund, in satisfaction of the reconciliation requirements of section 2(b)(5) and section 2(c)(5) of the first concurrent resolution on the budget for fiscal year 1983, see section 301 of this Act and sections 826 and 827 of the Foreign Service Act of 1980.

TITLE IV—VETERANS' BENEFITS

COMMENCEMENT OF CERTAIN PERIODS OF PAYMENT

SEC. 401. (a)(1) Chapter 51 of title 38, United States Code, is amended by inserting after section 3010 the following new section:

"§ 3011. Commencement of period of payment

"(a) Notwithstanding section 3010 of this title or any other provision of law and except as provided in subsection (c) of this section,

payment of monetary benefits based on an award or an increased award of compensation, dependency and indemnity compensation. A pension may not be made to an individual for any period before the first day of the calendar month following the month in which the award or increased award became effective as provided under section 3010 of this title or such other provision of law.

"(b)(1) Except as provided in paragraph (2) of this subsection during the period between the effective date of an award or increased award as provided under section 3010 of this title or other provision of law and the commencement of the period of payment based on such award as provided under subsection (a) of this section, an individual entitled to receive monetary benefits shall be deemed to be in receipt of such benefits for the purpose of all laws administered by the Veterans' Administration.

"(2) If any person who is in receipt of retired or retirement pay would also be eligible to receive compensation or pension upon the filing of a waiver of such pay in accordance with section 3101 of this title, such waiver shall not become effective until the first day of the month following the month in which such waiver is filed, and nothing in this section shall prohibit the receipt of retired or retirement pay for any period before such effective date.

"(c) This section shall apply to payments made pursuant to section 3110 of this title only if the monthly amount of dependency and indemnity compensation or pension payable to the surviving spouse is greater than the amount of compensation or pension the veteran would have received, but for such veteran's death, for the month in which such veteran's death occurred.

"(d) For the purposes of this section, the term 'award or increased award' means—

"(1) an original or reopened award; or

"(2) an award that is increased because of an added dependent, increase in disability or disability rating, or reduction in income."

"(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3010 the following new item:

"3011. Commencement of period of payment."

(b) Section 3011 of title 38, United States Code, as added by such section (a), shall apply to awards and increased awards the effective dates of which are after September 30, 1982.

ADVANCEMENT OF EFFECTIVE DATE OF CERTAIN REDUCTIONS OF COMPENSATION AND PENSION

SEC. 402. (a) Section 3012(b)(2) of title 38, United States Code is amended by striking out "calendar year" and inserting in lieu thereof "month".

(b) The amendment made by subsection (a) shall apply with respect to any marriage, annulment, divorce, or death that occurs after September 30, 1982.

ROUNDING DOWN OF PENSION TO NEAREST DOLLAR

SEC. 403. (a)(1) Chapter 51 of title 38, United States Code, amended by adding at the end the following new section:

§ 3023. Rounding down of pension rates

The monthly or other periodic rate of pension payable to an individual under section 521, 541, or 542 of this title or under section 541 of the Veterans' and Survivors' Pension Improvement Act of 1981 (Public Law 95-588), if not a multiple of \$1, shall be rounded down to the nearest dollar."

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"Rounding down of pension rates."

(b) The amendment made by this section shall apply with respect to amounts payable for periods beginning after May 31, 1983.

ROUNDING RULE FOR CERTAIN RATES OF COMPENSATION

SEC. 404. (a) Section 314(p) of title 38, United States Code, is amended by inserting "down" after "rounded".

(b) The second sentence of section 315(2) of such title is amended to read as follows: "The amounts payable under this paragraph, if not a multiple of \$1, shall be rounded down to the nearest dollar."

(c) The amendments made by this section shall take effect on October 1, 1982.

ROUNDING DOWN OF FISCAL YEAR 1983 COMPENSATION COST-OF-LIVING INCREASE

SEC. 405. (a) In contemplation of the enactment, after the date of the enactment of this Act, of legislation providing for cost-of-living increases to be effective on October 1, 1982, in the rates of disability compensation and dependency and indemnity compensation under chapters 11 and 13, respectively, of title 38, United States Code, and the rounding down of the amounts so provided to the nearest dollar and the realigning of the amounts of disability compensation paid on account of dependents, the adjustments made by this section in the current rates under such chapters are enacted, effective January 1, 1983, with the intent that they be superseded by the rounded and realigned increased rates to be provided for in such legislation.

(b) Section 314 of title 38, United States Code, is amended—

(1) by striking out "\$58" in subsection (a) and inserting in lieu thereof "\$57";

(2) by striking out "\$162" in subsection (c) and inserting in lieu thereof "\$161";

(3) by striking out "\$413" in subsection (f) and inserting in lieu thereof "\$412";

(4) by striking out "\$604" in subsection (h) and inserting in lieu thereof "\$603";

(5) by striking out "\$62", "\$1,403", "\$62", and "\$1,966" in subsection (k) and inserting in lieu thereof "\$61", "\$1,402", "\$61", and "\$1,965", respectively;

(6) by striking out "\$1,403" in subsection (l) and inserting in lieu thereof "\$1,402";

(7) by striking out "\$1,547" in subsection (m) and inserting in lieu thereof "\$1,546";

(8) by striking out "\$1,758" in subsection (n) and inserting in lieu thereof "\$1,757";

(9) by striking out "\$1,966" each place it appears in subsections (o) and (p) and inserting in lieu thereof in each such place "\$1,965";

(10) by striking out "\$844" and "\$1,257" in subsection (r) and inserting in lieu thereof "\$843" and "\$1,256", respectively;

(11) by striking out "\$1,264" in subsection (s) and inserting in lieu thereof "\$1,263"; and

(12) by striking out "\$244" in subsection (t) and inserting in lieu thereof "\$243".

(c) Section 315 of such title is amended—

(1) by striking out "\$116" in clause (1)(B) and inserting in lieu thereof "\$115";

(2) by striking out "\$38" in clause (1)(D) and inserting in lieu thereof "\$37"; and

(3) by striking out "\$38" in clause (1)(G) and inserting in lieu thereof "\$37".

(d) Section 362 of such title is amended by striking out "and inserting in lieu thereof "\$304".

(e)(1) Subsection (a) of section 411 of such title is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to the surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

Pay grade	Monthly rate
E-1.....	\$115
E-2.....	125
E-3.....	135
E-4.....	145
E-5.....	155
E-6.....	165
E-7.....	175
E-8.....	185
E-9.....	195
W-1.....	205
W-2.....	215
W-3.....	225
W-4.....	235
O-1.....	245
O-2.....	255
O-3.....	265
O-4.....	275
O-5.....	285
O-6.....	295
O-7.....	305
O-8.....	315
O-9.....	325
O-10.....	335

¹ If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be \$609.

² If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be \$1,137.

(2) Subsection (b) of such section is amended by striking out "\$47" and inserting in lieu thereof "\$47".

(3) Subsection (c) of such section is amended by striking out "\$125" and inserting in lieu thereof "\$124".

(4) Subsection (d) of such section is amended by striking out "\$62" and inserting in lieu thereof "\$61".

(5) Section 413 of such title is amended—

(1) by striking out "\$210" in clause (1) and inserting in lieu thereof "\$209";

(2) by striking out "\$301" in clause (2) and inserting in lieu thereof "\$300";

(3) by striking out "\$389" in clause (3) and inserting in lieu thereof "\$388"; and

(4) by striking out "\$389" and "\$79" in clause (4) and inserting in lieu thereof "\$388" and "\$78", respectively.

(6) Section 414 of such title is amended—

(1) by striking out "\$125" in subsection (a) and inserting in lieu thereof "\$124";

(2) by striking out "\$210" in subsection (b) and inserting in lieu thereof "\$209"; and

(3) by striking out "\$107" in subsection (c) and inserting in lieu thereof "\$106".

(7) The amendments made by this section shall take effect on January 1, 1983.

FEE FOR HOME LOANS

Sec. 406. (a)(1) Subchapter III of chapter 37 of title 38, United States Code, is amended by adding at the end the following new section:

1829. Loan fee

"(a) Except as provided in subsection (b) of this section, a fee shall be collected from each veteran obtaining a housing loan guaranteed, made, or insured under this chapter, and no such loan may be guaranteed, made, or insured under this chapter until the fee payable with respect to such loan has been remitted to the Administrator. The amount of the fee shall be one-half of one percent of the total amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof.

"(b) A fee may not be collected under this section from a veteran who is receiving compensation (or who but for the receipt of retirement pay would be entitled to receive compensation) or from a surviving spouse described in section 1801(b)(2) of this title.

"(c) Fees collected under this section shall be deposited into the Treasury of the United States as miscellaneous receipts.

"(d) A fee may not be collected under this section with respect to any loan closed after September 30, 1985."

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1828 the following new item:

"1829. Loan fee."

(b) Section 1829 of title 38, United States Code, as added by subsection (a), shall apply only to loans closed after September 30, 1982.

TITLE V—COMMERCE, SCIENCE, AND TRANSPORTATION

FEDERAL COMMUNICATIONS COMMISSION

SEC. 501. (a) Upon expiration of the term of office as a member of the Federal Communications Commission, which is prescribed by law to occur on June 30, 1982, any member appointed to fill such office after such date shall be appointed for a term which ends on June 30, 1983, and such office shall be abolished on July 1, 1983. Upon expiration of the term of office as a member of such Commission, which—

(1) is prescribed by law;

(2) is in effect before the date of the enactment of this Act and

(3) is to occur on June 30, 1983;

no person shall be appointed to fill such office after such date, and such office shall be abolished on July 1, 1983.

(b)(1) Section 4(a) of the Communications Act of 1934 (47 U.S.C. 154(a)) is amended by striking out "seven" and inserting in lieu thereof "five".

(2) The last sentence of section 4(b) of the Communications Act of 1934 (47 U.S.C. 154(b)) is amended to read as follows: "The maximum number of commissioners who may be members of the same political party shall be a number equal to the least number of commissioners which constitutes a majority of the full membership of the Commission."

(3) Section 4(h) of the Communications Act of 1934 (47 U.S.C. 154(h)) is amended by striking out "Four" and inserting in lieu thereof "Three".

(4) The amendments made in paragraphs (1), (2), and (3) of this subsection shall take effect on July 1, 1983.

INTERSTATE COMMERCE COMMISSION

SEC. 502. (a) Effective January 1, 1983, each office within the Interstate Commerce Commission provided in section 10301(b) of title 49, United States Code (except one of the two offices prescribed by law to expire on December 31, 1984), which was vacant on July 1, 1982, is abolished.

(b) Effective January 1, 1983, section 10301(b) of title 49, United States Code, is amended (1) by striking out "11" and inserting in lieu thereof "7", and (2) by striking out "6 members" and inserting in lieu thereof "4 members".

(c) Upon the expiration of the term of office as a member of the Interstate Commerce Commission which is prescribed by law to expire on December 31, 1982, any person appointed to fill such office after such date shall be appointed for a term of office which ends on December 31, 1985 and such office shall be abolished immediately after the expiration of that date.

(d) Upon the expiration of the term of office as a member of the Interstate Commerce Commission which is prescribed by law to expire on December 31, 1983, any person appointed to fill such office after such date shall be appointed for a term of office which ends on December 31, 1985, and such office shall be abolished immediately after the expiration of that date.

Effective January 1, 1986, section 10301(b) of title 49, United States Code, is amended (1) by striking out "7" and inserting in lieu thereof "5", and (2) by striking out "4 members" and inserting in lieu thereof "3 members".

Nothing in subsection (c) or (d) of this section shall be construed as prohibiting the reappointment of any person serving in such office in terms expiring on December 31, 1982, or December 31, 1985, respectively.

The term of office of one of the two persons appointed to fill an office as a member of the Interstate Commerce Commission, the term for which is prescribed by law to expire on December 31, 1987, shall end on December 31, 1991. At the time of the first of such two appointments, the President shall designate which appointment is to fill the term of office which shall end under the preceding sentence on December 31, 1991.

Section 10301(c) of title 49, United States Code, is amended by striking out "7 years" and inserting in lieu thereof "5 years".

The amendment made by paragraph (1) of this subsection shall take effect on January 1, 1984, and shall apply to any person appointed, after such date, to fill any office, as a member of the Interstate Commerce Commission, the term for which is prescribed by law to expire after such date, except that such amendment shall not apply to the person designated by the President to fill the term of office which is to end under subsection (g) of this section on December 31, 1991.

And the Senate agree to the same.

Committee on the Budget: For consideration of the entire House bill and Senate amendment:

JIM JONES,
LEON PANETTA,
RICHARD A. GEPHARDT,
DELBERT LATTA,
BILL FRENZEL,

Solely for consideration of title I of the House bill and title I of the Senate amendment:

LES ASPIN,
BRIAN DONNELLY,

Committee on Agriculture: Solely for consideration of title I of the House bill and title I of the Senate amendment:

E DE LA GARZA,
THOMAS S. FOLEY,
DAVID R. BOWEN,
BILL WAMPLER,
PAUL FINDLEY

(on all matters except as listed below),

TOM HAGEDORN
(on all matters except as listed below),

E. THOMAS COLEMAN
(in lieu of Mr. HAGEDORN) on sections 160-186 of the House bill and sections 101-150

of the Senate amendment (food stamps),
WM. THOMAS
 (in lieu of Mr. FINDLEY)
 on sections 101-180 of
 the House bill and
 section 151 of the
 Senate amendment
 (dairy),

Committee on Foreign Affairs: Solely for consideration of section 130 of the House bill and that portion of section 101 of the House bill which adds subparagraphs 201(d)(8)(D)(iii)-(v) to the Agricultural Act of 1949, as amended by the Agriculture and Food Act of 1981, and section 154 of the Senate amendment:

CLEMENT J. ZABLOCKI,
LEE H. HAMILTON,
JONATHAN B. BINGHAM,
WM. BROOMFIELD,

Committee on Banking, Finance and Urban Affairs: Solely for consideration of title II of the House bill and title III of the Senate amendment:

FERNAND J. ST GERMAIN,
HENRY GONZALEZ,
FRANK ANNUNZIO,
J. W. STANTON,
CHALMERS WYLIE,

Committee on Energy and Commerce: Solely for consideration of sections 402 and 403 of the Senate amendment:

JOHN G. DINGELL,
TIMOTHY E. WIRTH,
J. J. FLORIO,
JAMES T. BROYHILL,
N. F. LENT,

Committee on Public Works and Transportation: Solely for consideration of section 403 of the Senate amendment:

GLENN M. ANDERSON,
NICK RAHALL,
BOB EDGAR,
DON H. CLAUSEN,
BUD SHUSTER,

Committee on Post Office and Civil Service: Solely for consideration of title III of the House bill and sections 601-604 and 606-611 of the Senate amendment:

WILLIAM D. FORD,
MO UDALL,
W. CLAY,
ED J. DERWINSKI,
GENE TAYLOR,

Committee on Government Operations: Solely for consideration of sections 605 and 611 of the Senate amendment:

JACK BROOKS,
JOHN L. BURTON,
DAVE EVANS,
FRANK HORTON,
BOB WALKER,

Committee on Veterans' Affairs: Solely for consideration of title IV of the House bill and sections 701-706 and 708 of the Senate amendment:

G. V. MONTGOMERY,
MARVIN LEATH,
JOHN PAUL HAMMERSCHMIDT,
CHALMERS WYLIE,
Managers on the part of the House.

Committee on the Budget:

PETE V. DOMENICI,
W. L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
JOHN TOWER,

Committee on Agriculture, Nutrition, and Forestry: For title I:

JESSE HELMS,
BOB DOLE,
S. I. HAYAKAWA,
DICK LUGAR,

Committee on Banking, Housing, and Urban Affairs: For title III:

WALTER D. HUDDLESTON,
JAKE GARN,
JOHN TOWER,
DICK LUGAR,
DON RIEGLE,

Committee on Commerce, Science, and Transportation: For sections 402 and 403 of title IV:

BOB PACKWOOD,
BARRY GOLDWATER,
TED STEVENS,
HOWARD CANNON,

Committee on Governmental Affairs: For title VI:

BILL ROTH,
TED STEVENS,
MACK MATTINGLY,

Committee on Veterans' Affairs: Solely for consideration of title IV of the House bill and sections 701-706 and 708 of the Senate amendment:

AL SIMPSON,
STROM THURMOND,
ROBERT T. STAFFORD,
ALAN CRANSTON,
JENNINGS RANDOLPH,
Managers on the part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6955) to provide for reconciliation pursuant to the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92, Ninety-seventh Congress), submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the acting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

The joint statement of managers which follows was prepared by the Committees of jurisdiction, but is arranged by title of the conference agreement. A brief overview by the Committees on the budget appears at the beginning.

STATEMENT OF BUDGET COMMITTEE MANAGERS

By approving the First Budget Resolution for Fiscal Year 1983, which included reconciliation instructions, Congress continued and expanded its efforts to maintain control over Federal expenditures. Those reconciliation instructions directed eight Senate and nine House committees to report legislation achieving unprecedented reductions which impact on Federal spending during fiscal years 1983, 1984, and 1985.

The legislative recommendations reported by the Senate Finance Committee and the House Ways and Means and Energy and Commerce Committees were incorporated into H.R. 4961, the Tax Equity and Fiscal Responsibility Act of 1982, which has been approved by a separate Senate-House Conference committee. This bill (H.R. 6955) incorporates the legislative recommendations of the other Senate and House committees.

The provisions of the Omnibus Reconciliation Act of 1982 are the culmination of the work of the committees in complying with the reconciliation directives. The savings which have been achieved compare favorably with the reconciliation bills as passed by the House and Senate.

The managers for the Committees on the Budget wish to acknowledge the extraordinary efforts of the conference participants, particularly the chairmen and ranking Members of the House and Senate committees, in achieving these savings.

The Senate bill contained "Sense of the Senate" language directing the conferees on H.R. 4961 to include in the conference report on that measure a provision for a Federal supplemental unemployment benefits program. The House bill contained no such provision.

In view of the fact that the conferees for H.R. 4961, the Tax Equity and Fiscal Responsibility Act of 1982, have included a provision relating to supplemental unemployment benefits, this language is no longer necessary. The Senate therefore recedes to the House.

The Senate Committees on Armed Services; Commerce, Science, and Transportation; and Foreign Relations; and the House Committees on Armed Services; Energy and Commerce; Foreign Affairs; and Merchant Marine and Fisheries were instructed in the House Budget Resolution to report recommended changes in direct spending programs (as defined by subsection 401(c)(2)(C) of the Budget Act) within their jurisdiction. Savings under the jurisdiction of these committees will occur automatically under this bill because the Senate Committee on Governmental Affairs and the House Committee on Post Office and Civil Service recommended changes in cost-of-living adjustments (COLAs) for civil service retirees. The uniformed service and foreign service retiree COLAs are tied by law to the civil service retirement COLA. The Senate bill included provisions in title II, IV, and V to clarify how the reconciliation instructions for the Senate Committees on Armed Services; Commerce, Science, and Transportation; and Foreign Relations were met.

The House recedes to the Senate with an amendment to clarify how the reconciliation instructions for the House Committees on Armed Services, Energy and Commerce, Foreign Affairs, and Merchant Marine and Fisheries were met.

What follows in this statement of managers is a title by title explanation of the conference agreement. This explanation has been prepared by the committees which determined the provisions of the conference agreement which are in their separate jurisdictions.

TITLE I—AGRICULTURE, FORESTRY, AND RELATED PROGRAMS

SUBTITLE A—DAIRY PRICE SUPPORT PROGRAM

The House bill amends the statute governing the dairy price support program to provide that:

(a) A two-tier price support program would be effective for fiscal years 1983, 1984, and 1985.

(b) For that portion of the national milk supply needed to meet domestic commercial market needs, the price support level would be: (1) for fiscal year 1983—\$13.10 per cwt. and (2) for fiscal years 1984 and 1985—a level that represents the percentage of parity that \$13.10 per cwt. represented as of October 1, 1982.

For that portion of the national milk supply excess to domestic commercial market needs, the support level would be the higher tier level of support reduced by such uniform rate as determined by the National Dairy Board as necessary to recover the funds required to meet that portion of the cost of the price support program that is the responsibility of milk producers.

The funds represented by such reduction would be remitted to CCC by each person making payment to producers for milk purchased from the producer, and in the case of a producer who markets his own milk directly to consumers the funds would be remitted by the producer.

(d) Producers of milk would have responsibility each fiscal year for that portion of the cost of purchases by CCC under the price support program in excess of 5 billion pounds milk equivalent, related costs, the amount of marketing reduction incentive payments to producers for reductions in their milk production, expenses of the National Dairy Board, and any balance remaining from the last year on advances made to the Board by CCC. There would be deducted from such total amount the estimated receipts from the sale or transfer of dairy products in CCC inventories.

(e) If dairy product imports should be increased under section 22 of the Agricultural Adjustment Act, the portion of the cost of the price support program that is the responsibility of producers would be reduced by the milk equivalent of the increased imports.

(f) The price of milk would be supported through the purchase of milk and its products, all such purchases to be made at the higher level of support.

(g) If the lower tier support rate is in effect, nontransferable incentive payments would be made to producers whose marketings of milk during the current period have been reduced from their marketings during the corresponding period of the prior year. The payment would be made on a quantity of milk up to the quantity on which the person was paid at the lower tier support rate and at a rate of payment that could not exceed the difference between the higher and lower tier support levels. If the lower tier support rate is provided for consecutive fiscal years, the Board would recognize actions taken by producers in reducing milk marketings in prior years, except to the extent that such reduction had been offset by increases in subsequent years.

(h) Program decisions would be made by a National Dairy Board consisting of 16 members including the Secretary, 15 members of the Board to be appointed by the President with the advice and consent of the Senate from recommendations submitted by organizations representing milk producers and certified by the Secretary. The Board would have authority to dispose of dairy products acquired through price support operations, including those acquired before the date of enactment of the bill. Dispositions would include sales to the domestic commercial trade for unrestricted use at not less than the current market price or 110 percent of the current CCC purchase price based on the higher tier support price, transfers to Federal, State, and local agencies for food assistance programs, sales for commercial export and other sales or donation efforts. The Board could require the operation of the program to be carried out through products other than those purchased the CCC.

The proceeds from inventory disposition operations would be credited to the account of the Board. Dairy products up to 5 billion pounds milk equivalent would be made available for child nutrition and similar programs, including those conducted under the Older Americans Act at the request of the Secretary without cost.

(i) Nominations to the initial Board would be submitted to the Senate not later than January 1, 1983, and as a transition matter the Secretary of Agriculture would exercise the authority of the Board until such time as the Board was functioning but not later than April 1, 1983.

(j) The Secretary's responsibilities would include providing for collection of the funds resulting from payments on marketings to farmers of their excess production, providing the facilities and support required by the Board, and otherwise cooperating with the Board in the performance of its duties.

(k) Provisions for enforcement are included in the bill, including payments of penalties by persons who willfully fail or refuse to remit amounts due under the program.

The Senate amendment provides that, effective for the period beginning with December 22, 1981, and ending September 30, 1985, the support price for milk shall be set at the level determined appropriate by the Secretary, but not less than \$13.10 per hundredweight for milk containing 3.67 percent milk fat.

The Conference substitute amends the statute governing the dairy price support program to provide that:

(a) The price support level for the years beginning October 1, 1982, and October 1, 1983, would be not less than \$13.10 per hundredweight; and for the year beginning October 1, 1984 would be not less than the percent of parity that \$13.10 per hundredweight represents as of October 1, 1983.

(b) The Secretary would be given authority to provide for a deduction of 50 cents per hundredweight for the period beginning October 1, 1982, and ending September 30, 1985, from the proceeds of sale of all milk marketed by producers to be remitted to Commodity Credit Corporation to offset a portion of the cost of the price support program. Authority for this deduction would not apply for any fiscal year for which the projected annual price support purchases are less than 5 billion pounds milk equivalent. If at any time during a fiscal year, the Secretary should estimate that such net price support purchases during that fiscal year would be less than 5 billion pounds, the authority for making deductions would not apply for the balance of the year.

(c)(1) The Secretary would be given authority to provide for an additional deduction of 50 cents per hundredweight for the period beginning April 1, 1983, and ending September 30, 1985, to be remitted to Commodity Credit Corporation subject to the following conditions.

(2) The provision for this deduction could only be implemented if the Secretary established a program to refund the assessment to farmers that reduce their commercial marketings from a base period. The base period would be the fiscal year beginning October 1, 1981, or at the option of the Secretary, the average of the two fiscal years beginning October 1, 1980. The Secretary may make adjustments in individual bases to correct for abnormal factors affect

ing production and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. The refunds would be based on reductions in commercial marketings, as specified by the Secretary, but the Secretary could not require a reduction of marketings in excess of a reduction equivalent to the ratio that the total projected surplus milk for the fiscal year bears to the total milk production estimated for such period.

(3) Authority for the additional deduction would not apply for any fiscal year for which projected annual purchases by Commodity Credit Corporation are less than 7.5 billion pounds. If at any time during a fiscal year the Secretary should estimate that such net price support purchases during that fiscal year would be less than 7.5 billion pounds, the authority for making the additional deduction would not apply for the balance of the year.

(4) The Secretary would be responsible for administration of the program described above, and provisions for a Dairy Board as contained in the House bill would be deleted.

SUBTITLE —DAIRY PROMOTION

The House bill provides new authority for a National Dairy Products Promotion program to improve markets and income for United States dairy producers as follows:

(a) The program would be funded by a uniform nonrefundable check-off of 5 cents per hundredweight on all milk marketed.

(b) Initiation of the program would be subject to approval of a proposed promotion order in an industry-wide referendum of dairy producers in which a majority of those voting favor the proposed order. Approval by a milk marketing cooperative of producers would be considered as the approval of member producers, except that the cooperative must provide its members an opportunity to vote if they should so wish.

(c) An additional referendum would be held at the end of a 5-year period to determine whether milk producers favor continuation of the order.

(d) The program would be administered by a Board of Directors of not less than 36 members appointed by the Secretary of Agriculture from nominees submitted by producers and selected on a geographical basis to assure representation of all milk producing regions.

(e) Promotional activities of the Board would be limited to processed dairy products for the first 2 years of the program and must make no reference to any private brand or name.

(f) The government would be reimbursed for its costs (other than salaries paid to government employees incurred in administration of the program from assessments collected from milk producers).

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

SUBTITLE B—DONATION OF DAIRY PRODUCTS

The House bill provides additional authority to the Commodity Credit Corporation to dispose of dairy products acquired under the price support program to needy households in the United States and through foreign governments and public and nonprofit private humanitarian organizations for assistance to needy persons outside the United States. The CCC would be authorized to pay reprocessing, packaging, transportation, handling and other charges incurred on the donated commodities.

In order to assure that any such donations for use outside the United States are coordinated with and complement other United States foreign assistance, such donations must be coordinated through the mechanism designated by the President to coordinate assistance under Public Law 480 and shall be in addition to the level of assistance programed under that Act.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to make clear that the donations for distribution in the United States would include donations to meet the needs of persons receiving nutrition assistance under the Older Americans Act of 1965.

With respect to the donation of dairy stocks abroad, the Conferees stress that care must be exercised to avoid unintended harmful effects from distribution of dairy products, particularly within developing countries with poor populations. The inability of some needy groups to consume nonfat dried milk without further processing, their particular dietary needs and deficiencies, and the lack of sanitary facilities and potable water are among the factors taken into account in food distributions carried out under Public Law 480, title II aid programs. The Conferees intend that safeguards similar to those exercised under title II, Public Law 480 programs also apply to donations under the new authority.

SUBTITLE C—ADJUSTMENT PROGRAM FOR THE 1983 CROPS OF WHEAT, FEED GRAINS, AND RICE

(1) Advance deficiency payments

The Senate amendment provides for the Secretary to make advance deficiency payments for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice whenever an acreage limitation or set-aside is implemented by the Secretary. For the 1982 and 1983 crops, the Secretary would be required to make advance payments, as follows: (a) for 1982 crops, the payment would equal 70 percent of the projected final payment and would be made as soon as practicable after October 1, 1982; and (b) for 1983 crops the payment would be up to 50 percent of the projected final payment and would be made as soon as practicable after producers sign up for the programs, but not before October 1, 1982. For the 1984 and 1985 crops, the Secretary would be authorized, but not required, to make advance payments in amounts up to 50 percent of the projected final payments. Any overpayments are required to be refunded to the Secretary by producers by the end of the marketing year for the crop involved. Any advance payments made to

producer who fails to meet the program requirements must be repaid, with interest, immediately.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

Loan rates for wheat and feed grains

(a) The House bill increases the minimum loan level for the 1983 crop of wheat to \$3.80 per bushel (a 25-cent per bushel increase over the 1982 loan level).

The Senate amendment contains no comparable provision.

The Conference substitute increases the minimum loan rate for the 1983 crop of wheat to \$3.65 per bushel.

(b) The House bill also increases the minimum loan level for the 1983 crop of corn to \$2.71 per bushel (a 16-cent per bushel increase over the 1982 loan level). The loan price support level for the other feed grains would be set under current law at such level as the Secretary determines fair and reasonable in relation to the level set for corn.

The Senate amendment contains no comparable provision.

The Conference substitute increases the minimum loan rate for the 1983 crop of corn to \$2.65 per bushel.

1983 wheat acreage reduction program

(a) The House bill requires the Secretary to provide for a 1983 wheat acreage limitation program under which the acreage planted to wheat would be limited to the wheat acreage base for the farm reduced by 15 percent and a paid diversion program under which the wheat acreage on the farm would be reduced an additional 10 percent of the wheat acreage base. The House bill further makes participation in both the acreage limitation and land diversion programs a condition of eligibility for program benefits.

The Senate amendment requires the Secretary to provide for a wheat acreage limitation program and paid diversion program on the 1983 crop of wheat under which the wheat acreage would be reduced in the same amounts as in the House provision. The Senate amendment requires participation in the acreage limitation program as a condition of eligibility for program benefits but makes participation in the land diversion program voluntary for producers.

The Conference substitute requires the Secretary to provide for an acreage limitation program under which the acreage planted to wheat on the farm would be limited to the farm acreage base reduced by 15 percent and a diversion program under which the wheat acreage would be reduced an additional 5 percent of the wheat acreage base. Producers would be required to participate in both the acreage limitation program and diversion program as a condition of eligibility for program benefits. This requirement is a minimum. Under the statute, the Secretary could implement a program which requires a producer to make greater reductions in the planted acreage than a total of 20 percent of the wheat acreage base. This could be accomplished by increasing the requirements for diversion in excess of 5 percent of the wheat acreage base or by increasing the reduction required to be made under the acreage limitation program. In the latter event, however, the Secretary

must increase the diversion requirement in an amount proportionate to any increased reduction required to be made under the acreage limitation program.

(b) The House bill provides that the payment for participation in the land diversion program would be at a rate of \$3 per bushel multiplied by the farm program payment yield for the crop by the acreage diverted under the diversion program.

The Senate amendment provides that the payment for participation in the land diversion program would be at a rate not less than \$120 per acre as determined appropriate by the Secretary. The payment rate would be adjusted by the Secretary for each farm to reflect differences in yield per acre among wheat farms.

The Conference substitute adopts the House provision with an amendment that provides that the diversion payment would be a minimum of \$3 per bushel and that the Secretary would be authorized to reduce the payment rate up to a maximum of 10 percent if the Secretary determines that the same program objective could be achieved with the lower rate.

(4) 1983 feed grain acreage reduction program

(a) The House bill requires the Secretary to provide for a feed grain acreage limitation (or set-aside) program for the 1983 crop of feed grains under which the acreage planted to feed grains would be limited to the feed grain acreage base for the farm reduced by 10 percent and a paid diversion program under which the feed grain acreage would be reduced by an additional 10 percent of the feed grain acreage base, if the Secretary estimates on October 15, 1982, that the 1982 corn crop will exceed 7.3 billion bushels. The House bill further requires participation in both the acreage limitation program and the land diversion program as a condition of eligibility for program benefits.

The Senate amendment requires the Secretary to provide for a feed grain acreage limitation program and paid diversion program on the 1983 crop of feed grains under which the feed grain acreage would be reduced in the same amounts as in the House provision. The Senate amendment, however, does not make the programs contingent on the estimated production of the 1982 crop of corn and requires participation in the acreage limitation program as a condition of eligibility for program benefits, but makes participation in the land diversion program voluntary for producers.

The Conference substitute requires the Secretary to provide for an acreage limitation (or set-aside) program under which the acreage planted to feed grains on the farm would be limited to the feed grain acreage base for the farm reduced by 10 percent and a diversion program under which the feed grain acreage would be reduced an additional 5 percent of the feed grain acreage base. Producers would be required to participate in both the acreage limitation (or set-aside) program and diversion program as a condition of eligibility for program benefits. This requirement is a minimum. Under the statute, the Secretary could implement a program which requires a producer to make greater reductions in the planted acreage. In such event, the comments made above with respect to the wheat acreage reduction program would apply as well to the feed grain acreage reduction program.

(b) The House bill provides that the payment for participation in the land diversion program would be at a rate, in the case of corn, of \$1.50 per bushel multiplied by the farm program payment yield by the acreage diverted under the diversion program.

The Senate amendment provides that the payment for participation in the land diversion program would be at a rate, in the case of corn, of not less than \$150 per acre—the rate to be adjusted to reflect differences in yield per acre among feed grain producing farms.

The Conference substitute adopts the House provision with an amendment that provides that the corn diversion payment would be a minimum of \$1.50 per bushel and that the Secretary would be authorized to reduce the payment rate up to a maximum of 10 percent if the Secretary determines that the same program objective could be achieved with the lower rate.

5 Acreage base for the farm

(a) The House bill provides that the acreage base for the farm for the 1983, 1984, and 1985 crops of wheat and feed grains shall be the same as the acreage base for the 1982 crop, as adjusted, to reflect factors the Secretary determines should be considered in determining a fair and equitable base. It further provides that the acreage base for producers following a normal summer fallow crop rotational practice for at least 3 years shall be the previous year's acreage or the average acreage for the 2 previous years) expanded by adding to it the amount determined by multiplying one-half the announced acreage limitation percentage by the acreage annually idled and devoted to summer fallow.

The Senate amendment provides that the acreage base for the farm for the 1983 crop of wheat and feed grains shall be the same as the acreage base for the 1982 crop, as adjusted for factors, which in the case of wheat include summer fallow.

The Conference substitute provides that the acreage base for the farm for the 1983 crop of wheat and feed grains shall be the same as the acreage base for the 1982 crop, as adjusted to reflect factors the Secretary determines should be considered in determining a fair and equitable base. In making adjustments in the base, the Secretary is expected to consider the special problems of producers that follow a normal summer fallow crop rotational practice.

(b) The House bill provides that the acreage base for the farm for the 1983, 1984, and 1985 crops of upland cotton and rice shall be the same as the acreage base for the 1982 crop of such commodities with adjustments to reflect factors the Secretary determines should be considered in determining a fair and equitable base.

The Senate bill contains no comparable provisions.

The Conference substitute provides that the acreage base for the farm for the 1983 crop of rice shall be the same as the acreage base for the 1982 crop with adjustments to reflect factors the Secretary determines should be considered in determining a fair and equitable base. The conference substitute deletes the House provision relating to the acreage base for upland cotton.

(6) 1983 upland cotton acreage reduction program

(a) The House bill requires that if the Secretary should establish a reduction program for the 1983 crop of upland cotton, 25 percent of any acreage reduction must be under a paid diversion program and the balance under the acreage limitation program. Upland cotton producers must comply with the combined acreage reduction and paid diversion programs to be eligible for program benefits.

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision. If the Secretary should establish an acreage reduction program for the 1983 crop of upland cotton, the conferees urge the Secretary to implement a paid diversion program in combination therewith.

(b) The House bill provides that the 1983 crop upland cotton producer who meets the combined acreage reduction requirement shall receive a diversion payment determined by multiplying a rate of 25 cents per pound, by the farm program payment yield, and by the additional acreage diverted under the paid diversion program.

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(7) 1983 rice acreage reduction program

(a) The House bill requires that if on November 15, 1982, the Secretary estimates the 1982 crop of rice will exceed 145 million hundredweight (rough rice basis), the Secretary must provide for producers of the 1983 crop of rice an acreage limitation program under which the acreage planted to rice would be limited to the rice acreage base for the farm reduced by 10 percent of the rice acreage base and a paid diversion program under which the rice acreage would be reduced by an additional 10 percent of the rice acreage base. Producers must comply with both the acreage limitation and paid diversion programs to be eligible for program benefits.

The Senate bill contains no comparable provision.

The Conference substitute requires the Secretary to provide for producers of the 1983 crop of rice an acreage limitation program under which the acreage planted to rice would be limited to the rice acreage base for the farm reduced by 15 percent of the rice acreage base and a paid diversion program under which the rice acreage would be reduced by an additional 5 percent of the rice acreage base. Producers must comply with both the acreage limitation and paid diversion programs to be eligible for program benefits. This requirement is a minimum. Under the statute, the Secretary could implement a program which requires a producer to make greater reductions in the planted acreage of rice. In such event, the comments made above with respect to the wheat acreage reduction program would apply as well to the rice acreage reduction program.

(b) The House bill provides that the payment for participation in the 1983 crop rice land diversion program would be at a rate of \$3.00 per hundredweight, multiplied by the farm program payment yield, by the additional acreage diverted under the paid diversion program.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that makes the \$3.00 per hundredweight a minimum rate and provides that the Secretary is authorized to reduce the payment rate up to a maximum of 10 percent if the Secretary determines that the same program objective could be achieved with the lower rate.

(8) Advance diversion payments

The House bill provides in the case of 1983 crop wheat, feed grains, upland cotton, and rice, that the Secretary is required to advance at least 50 percent of any land diversion payments as soon as practicable after a producer enters into a land diversion contract. If thereafter a producer fails to comply with the diversion contract, the producer must repay the advance with interest.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision as to wheat, feed grains, and rice, and deletes the House provision as to upland cotton.

SUBTITLE D—AGRICULTURAL EXPORT PROMOTION

The Senate amendment requires the Secretary of Agriculture for each of the fiscal years 1983, 1984, and 1985 to use between \$175 million and \$190 million of Commodity Credit Corporation funds for agricultural export promotion activities to discourage and neutralize agricultural export subsidy programs by foreign countries. The Secretary would be required to use the funds to (a) buy-down the rate of interest on export credit financing for a term of up to 10 years and guarantee the repayment of loans for which interest reduction payments are made, or (b) initiate export subsidy programs with respect to one or more agricultural commodities that have been or are involved in unfair trade practice cases under section 201 of the Trade Act of 1974, as amended, as the Secretary determines appropriate to neutralize subsidies on the same commodities by foreign countries. The Secretary must safeguard the usual marketings of U.S. agricultural commodities.

The House bill contains no comparable provision.

The Conference substitute provides that effective for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, the Secretary of Agriculture would be required to use not less than \$175 million nor more than \$190 million of funds of the Commodity Credit Corporation for export activities authorized to be carried out by the Secretary or by the Commodity Credit Corporation under current provisions of law. This authority would be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

These funds could be used, at the election of the Secretary, for a wide variety of market promotion activities authorized under current provisions of law. These activities include, among others, programs under which the Secretary could buy-down the rate of interest on export credit financing, guarantee the repayment of loans for which interest reduction payments are made, and carry out activities of the type provided for under section 1201 of the Agricul-

ture and Food Act of 1981 (the Agricultural Export Credit Revolving Fund) and section 5(d) and (f) of the Commodity Credit Corporation Charter Act. These authorities apply to the broad spectrum of agricultural commodities and products produced in the United States for which there is export potential. The Conferees intend that the Secretary, to the greatest extent practicable and where appropriate, use these funds for interest buy-downs, or direct export sales, or export subsidies in order that American farmers and exporters may compete in international trade on an equal basis.

The Conferees are strongly concerned about the use of export subsidies by foreign countries in violation of obligations under trade agreements with the United States that have had the effect of impacting adversely on agricultural exports from the United States, contributing to the depressed farm economy in the United States.

These subsidies result in the displacement of potential exports of U.S. farm products in third-country markets, with a resulting adverse impact on American and world prices. The Conferees express a continued commitment to the General Agreement on Tariffs and Trade (GATT) and its accompanying international obligations incumbent on the United States. At the same time the Conferees believe that the United States cannot tolerate unfair trade practices and should act to counter them in a direct way.

In this regard the Conferees call attention to the many pending cases initiated by the United States involving unfair trade practices under section 301 of the Trade Act of 1974, as amended.

The Conferees have deleted the specific provision in the Senate bill for the use of export subsidies by the Secretary to neutralize subsidies on the same commodities by foreign countries that are the subject of pending section 301 cases. This change was made in part as a result of assurances from the Administration that these cases will be pressed and resolved in a year. The Conferees do not intend that the funds made available by this provision be used, in any way, in contravention of international obligations of the United States, but on the other hand the Conferees do not want the United States to sit idly by while other countries make use of export subsidies to capture markets from the United States.

SUBTITLE E—FOOD STAMP ACT AMENDMENTS OF 1982

(1) Short title

The House bill provides that the food stamp amendments may be cited as the "Food Stamp Act Amendments of 1982."

The Senate amendment contains no comparable provision. The Conference substitute adopts the House provision.

(2) Definition of household

(a) The House bill requires that all parents and children or siblings who live together be treated as a single household, unless one of the parents or siblings is elderly or disabled.

The Senate amendment requires that all related persons who live together be treated as a single household, unless one of the related persons is elderly or disabled.

The Conference substitute adopts the House provision.

(b) The House bill specifies that an individual who lives with others, but who is 60 years of age or older and who is unable to purchase food and prepare meals because of a permanent disability recognized by the Social Security disability program or a nondisability-related disabling physical or mental infirmity shall be treated as a separate household, together with his or her spouse, without regard to the purchase of food and preparation of meals, if the gross income of the other individuals with whom the person lives does not exceed 165 percent of the nonfarm income poverty guidelines.

The Senate amendment contains no comparable provisions.

The Conference substitute adopts the House provision.

While retaining the "purchase food and prepare meals separately" rule in the household definition for some categories of applicants—that is, unrelated persons, elderly and disabled persons (except spouses), and nonsibling relatives—the conferees expect that eligibility workers could effectively question claims and that the burden of proof for establishing "separateness" in such cases would be placed on the household, rather than the administering agency.

With regard to household members, the conferees note that both the House bill and the Senate amendment contain provisions adding to the Food Stamp Act of 1977 a definition of the term "elderly or disabled member". The definition includes certain disabled veterans and disabled surviving spouses and children of veterans. The spouses and children covered by this definition are those who are, among other things, entitled to compensation for a service connected death or pension benefits for a nonservice connected death under title 38, United States Code. The conferees intend that the word "entitled", as used in this definition, includes only those spouses and children who are receiving such compensation or pension benefits or who have applied for and been adjudged entitled to such benefits.

(3) Thrifty food plan adjustments

The Senate amendment revises the measurement periods used for each October's adjustment of the cost of the thrifty food plan. The adjustment scheduled for October 1, 1982, will be based on food price changes for the 18 months ending March 31, 1982. The October 1983 adjustment will be based on changes in the 13-month period ending April 30, 1983. The October 1984 adjustment will be based on changes in the 13-month period ending May 31, 1984. The October 1985 adjustment will be based on changes in the 13-month period ending June 30, 1985. Each subsequent October 1 adjustment will be based on the 12 months ending the preceding June 30. The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the October 1, 1982, adjustment of the cost of the thrifty food plan would be calculated by (i) adjusting the plan to reflect changes in the cost of food covered by the plan during the 21-month period ending June 30 1982, (ii) reducing the cost of the plan by 1 percent, and (iii) rounding the resulting figure. The cost adjustment to the thrifty food plan scheduled for October 1, 1983, and October 1, 1984, would be calculated by (i) adjusting

the plan to reflect changes in the cost of food covered by the plan during the 12-month period ending the preceding June 30, (ii) reducing the cost of the plan by 1 percent, and (iii) rounding the resulting figure. The cost adjustment scheduled for October 1, 1983, and each October 1 thereafter would be calculated by (i) adjusting the plan to reflect changes in the cost of food covered by the plan during the 12-month period ending the preceding June 30 and (ii) rounding the resulting figure.

(4) *Income standards of eligibility*

The Senate amendment revises the income eligibility test for households without an elderly or disabled member to require that these households have net monthly incomes (after the various expense disregards and deductions) below 100 percent of the Federal poverty level, in addition to meeting the 130 percent of poverty gross income test, in order to be eligible for food stamps.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(5) *Adjustment of deductions*

The House bill delays the July 1, 1983, adjustment of the standard deduction until October 1, 1983.

The Senate amendment delays the July 1, 1983, adjustment of the standard deduction until October 1, 1984. The Senate amendment also revises the measurement periods used to adjust the standard deduction to provide that the adjustment for October 1, 1984, will be based on changes in the nonfood elements of the Consumer Price Index (CPI) for the 21-month period ending September 30, 1983; the adjustment for October 1, 1985, will be based on changes in the CPI during the 21-month period ending June 30, 1985; and the adjustments for October 1, 1986, and each October 1 thereafter will be based on changes in the CPI for the 12-month period ending the preceding June 30.

The Conference substitute adopts the House provision.

(6) *Averaging income*

The House bill provides that, in determining income for purposes of food stamp eligibility, income received on a weekly or biweekly basis from the same source shall be converted to a monthly amount of income.

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(7) *Migrant farmworkers*

The House bill precludes the Secretary of Agriculture from waiving, in the case of migrant farmworkers, the calculation of household income on a prospective basis as required by current law.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(8) *Financial resources*

The Senate amendment precludes the Secretary, with some exceptions, from altering the food stamp financial resources limitations which were in effect as of June 1, 1982. The Senate amendment

would also require accessible pension funds and savings or retirement accounts to be counted in determining whether the financial resources limitation has been exceeded.

The House bill contains no comparable provisions.

The Conference substitute adopts the Senate provision with an amendment deleting the reference to the cash value of any accessible pension funds.

The conferees intend that the provision requiring that retirement funds be counted as financial resources would only be applied to savings accounts, individual retirement accounts, and Keogh plans where no contractual relationship with other individuals is involved.

(9) *Categorical eligibility*

The House bill permits States to consider households in which all members receive aid to families with dependent children benefits, and (i) whose net income does not exceed 100 percent of the nonfarm poverty guideline in the case of households containing an elderly or disabled member, or (ii) whose gross income does not exceed 130 percent of the nonfarm poverty guideline in the case of all other households, as having satisfied the resource limitation requirements under the food stamp program.

The Senate amendment permits States to consider households in which all members receive aid to families with dependent children benefits and whose gross income does not exceed 130 percent of the nonfarm poverty guidelines as having satisfied the resource limitation requirements under the food stamp program.

The Conference substitute adopts the Senate provision.

(10) *Approval of periodic reporting forms*

The Senate amendment removes the requirement that the Secretary of Agriculture design or approve the forms used by the States for nonperiodic reporting of changes in household circumstances.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(11) *Waiver of reporting requirements; cost effectiveness of monthly reporting systems*

The House bill provides that a State agency may, with the approval of the Secretary and if it can show that monthly reporting would result in unwarranted administrative expense, select categories of households which may report at less frequent intervals. The House bill also excludes from monthly reporting requirements households without earned income in which all adult members are elderly or disabled.

The Senate amendment permits the Secretary of Agriculture, upon the request of a State, to waive any food stamp periodic reporting rules (other than those exempting certain categories of recipients from periodic reports) to the extent necessary to allow the State to establish periodic reporting rules for the food stamp program that are similar to those for the aid to families with dependent children program.

The Conference substitute adopts both the House and Senate provisions.

(12) Employment and job search requirements; voluntary quit

(a) The Senate amendment revises work registration and job search requirements to provide that an entire household would be disqualified for failure to comply with whatever reasonable job search requirements are prescribed by the Secretary. Such disqualification will remain in effect until the requirement is satisfied. The Senate amendment will also specifically provide that households will be ineligible to participate in the food stamp program if a member of the household subject to these provisions, without good cause, refuses to report for a job interview, refuses to provide information regarding employment status or availability for work, or refuses to report for a work opportunity.

The House bill contains no comparable provisions.

The Conference substitute deletes the Senate provision.

(b) The House bill provides that, at the option of the State, job search requirements could be imposed on applicants, as well as recipients.

The Senate amendment permits the Secretary to impose job search requirements on applicants for food stamps, as well as recipients.

The Conference substitute adopts the House provision.

(c) The Senate amendment permits the Secretary to fix the starting point of the disqualification period for participants when a participant has voluntarily quit a job.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(d) The Senate amendment extends the definition of a voluntary quit without good cause (and the attendant period of ineligibility) to include Federal, State, or local Government employees who have been dismissed from their jobs because of participation in a strike against the Government entity involved.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(13) Parents and caretakers of children

The Senate amendment eliminates the exemption from work registration for parents or caretakers of children when the parent or caretaker is part of a household in which there is another able-bodied parent or caretaker subject to food stamp work requirements. The effect of this provision is to require a second parent or caretaker in a household to register for work when the youngest child in the household reaches age 6.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(14) Hours of employment

The Senate amendment revises the work registration requirement to exempt those individuals (i) employed a minimum of 150 hours per month or (ii) receiving monthly earnings equal to the applicable minimum wage rate multiplied by 150 hours, rather than those employed 30 hours per week or receiving earnings equivalent to the minimum wage times 30 hours.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(15) Joint employment regulations

The Senate amendment removes the requirement for joint issuance of regulations on work registration by the Secretary of Agriculture and the Secretary of Labor and removes the requirement that these regulations be patterned after those for the work incentive program.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(16) College students

The Senate amendment revises food stamp eligibility requirements for post secondary students by limiting participation by students with dependents to those with dependent children under age 5 and students who are receiving aid to families with dependent children.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that college students who are otherwise eligible to participate in the food stamp program may not be disqualified when the college student is the parent of a dependent child above the age of 5 and under the age of 12 for whom adequate child care is not available.

(17) Income and assets of ineligible aliens

The Senate amendment requires that all the income and assets of an ineligible alien be attributed to the household of which the alien is a member for purposes of determining food stamp eligibility and benefits due the household.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(18) Initial allotments

The House bill eliminates any prorated benefits of less than \$10.

The Senate amendment requires food stamp benefits to be prorated to the day of application for recertification if the application for recertification occurs after the end of the last month for which benefits were received.

The Conference substitute adopts both the House and Senate provisions.

(19) Effect of noncompliance with other programs

The Senate amendment prohibits any increase in food stamp benefits to households on which a penalty resulting in a decrease in income has been imposed for intentional failure to comply with Federal, State, or local welfare law.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(20) House-to-house trade routes

The Senate amendment authorizes the Secretary of Agriculture to limit the operation of house-to-house trade routes to those that are reasonably necessary to provide adequate access to households

if the Secretary finds, in consultation with the Department's Inspector General, that operation of house-to-house trade routes damages the integrity of the food stamp program.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(21) *Approval of State agency materials*

The Senate amendment prohibits the Secretary of Agriculture from requiring that the States submit, for prior approval, State agency instructions, interpretations of policy, methods of administration, forms, or other materials, unless the State determines that they alter or amend its plan of operation for the food stamp program or conflict with the rights and levels of benefits to which households are entitled.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(22) *Bilingual personnel and printed materials*

The Senate amendment eliminates the requirement for State agencies to use appropriate bilingual personnel and printed materials in administering the food stamp program in those portions of political subdivisions in the State where a substantial number of low-income persons speak a language other than English. The Senate amendment gives the States the option of using such personnel and materials.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The conferees understand that the Department of Agriculture has solicited comments from the States on the regulations relating to the use of bilingual personnel and material. The conferees support any efforts by the Department to eliminate burdensome requirements in this area.

(23) *Points and hours of certification and issuance*

The Senate amendment eliminates the requirement that State agencies comply with Federal standards with regard to points and hours of certification and issuance.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(24) *Authorized representatives*

The Senate amendment permits the Secretary of Agriculture to restrict the number of households for which one individual may serve as an authorized representative and (ii) to establish criteria and verification standards for representatives and for households that may be represented.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

The conferees do not intend that households be barred from using authorized representatives on the basis of age, household composition, or employment status unless a determination has been made that such restrictions are a necessary means to control a documented pattern of abuse.

(25) *Expedited service*

The House bill provides that food stamps shall be provided on an expedited basis in accordance with regulations in effect on July 1, 1982, to destitute migrant or seasonal farmworker households and to any other household in immediate need because of no net income, as defined in sections 5 (d) and (e).

The Senate amendment requires that expedited 5-day service be provided to households (i) having gross incomes lower than \$85 per month or headed by a destitute migrant or seasonal farmworker and (ii) having liquid assets of not more than \$100. A State agency would not be required to provide this expedited service to a given household more than once in a 6-month period, unless that household is headed by a destitute migrant or seasonal farmworker. The State agency is required, to the extent practicable, to verify the income and resources of the recipient household prior to the issuance of food stamps.

The Conference substitute adopts the Senate provision with an amendment providing that 5-day service be provided to households (i) having gross incomes lower than \$150 per month or that are destitute migrant or seasonal farmworker households in accordance with the regulations governing such households in effect July 1, 1982, and (ii) having liquid resources that do not exceed \$100. The State agency would also be required, to the extent practicable, to verify the income and liquid resources of the household prior to issuance of coupons to the household.

(26) *Duplicate receipt of food stamps*

The Senate amendment requires State food stamp agencies to establish a system and take periodic action to verify that no individual is receiving food stamps in more than one jurisdiction in the State.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

The conferees understand that the Secretary will require State agencies to proceed promptly to implement this essential control on dual participation. The conferees recognize that not all States currently have the computer capability to begin immediate, comprehensive statewide control. In the interim, all States are expected to implement this control to the extent of their current capability and to proceed systematically toward upgrading their capabilities to achieve total State coverage of participants by the control system.

(27) *Certification systems*

The Senate amendment permits each State to choose whether (i) AFDC and general assistance households must have their food stamp application included in their AFDC or general assistance application, and (ii) food stamp applicants must be certified eligible based on information in their AFDC or general assistance case file, to the extent reasonably verified information is available in the

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

The conferees emphasize that current procedures under which households terminated from the aid to families with dependent children program are kept on food stamps if still eligible are to be continued. A separate determination of food stamp eligibility must occur if a household is terminated from AFDC.

(28) Assurance of nonduplication with "cashed out" benefits

The House bill requires State agencies to determine at least annually whether households that have been "cashed out" of the food stamp program are also receiving food stamps.

The Senate amendment mandates that the Secretary of Agriculture require State food stamp agencies to conduct at least annual verification or other measures to ensure that individuals who have been "cashed out" of the food stamp program are not also receiving food stamps.

The Conference substitute adopts the Senate provision.

(29) Issuance procedures

The House bill authorizes the Secretary to require State agencies to use alternative issuance systems or to issue, in lieu of food stamps, a reusable document to be used as part of an automatic data processing system, if the Secretary, in consultation with the Inspector General, determines that use of such system or document is necessary to improve the integrity of the food stamp program. Retail food stores could not be required to bear the cost of any system or document.

The Senate amendment authorizes the Secretary of Agriculture to require a State agency to implement new or modified issuance procedures that the Secretary finds would improve program integrity and be cost effective.

The Conference substitute adopts the House provision.

(30) Disqualification and penalties for food stores

The Senate amendment raises the maximum civil money penalty from \$5,000 to \$10,000 for each violation of the Food Stamp Act or regulations committed by a retail food store or wholesale food concern. The Senate amendment also sets, by statute, the periods of disqualification applicable to such entities. The disqualification period for the first violation shall be for a reasonable period of time between 6 months and 5 years. The disqualification period for a second violation shall be for a reasonable period of time between 12 months and 10 years. A retail food store or wholesale food concern would be permanently disqualified for a third violation or for trafficking in food stamps or authorization documents.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(31) Bonding for food stores

The Senate amendment permits the Secretary to require retail food stores and wholesale food concerns that have previously been disqualified or subjected to a civil penalty to furnish a bond to cover the value of food stamps they may subsequently redeem in violation of the Act. The Secretary shall prescribe the amount and other terms and conditions of such bond by regulation.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(32) Alternative means for collection of overissuances and States' share of recovered moneys

(a) The Senate amendment permits States to use other means of collection for fraud and nonfraud overissuances besides cash repayment and benefit offset.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(b) The Senate amendment specifies that States may retain 50 percent of recovered overissuances arising from fraud and 25 percent of recovered nonfraud overissuances, except in the case of State error, in which case the State may retain none of the recovered overissuances.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(33) Fraud claims collection procedure

The Senate amendment allows the household of a disqualified person 30 days after a demand for an election to choose between a reduced allotment or repayment in cash to reimburse the Government for any overissuance of food stamp benefits.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(34) Employment requirement pilot project

The Senate amendment authorizes the Secretary of Agriculture to conduct pilot projects in each of the seven administrative regions of the Food and Nutrition Service of the Department of Agriculture to determine the effects of making nonexempt individuals ineligible to participate in the food stamp program if they do not, with certain exceptions, work at least 20 hours per week or participate in a workfare program.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment authorizing four pilot projects.

(35) Distribution of surplus commodities

The Senate amendment states the sense of the Congress that the Federal Government should take steps to distribute surplus food or food that would otherwise be discarded to hungry people of the United States, that State and local governments should enact donor liability laws to encourage private cooperative efforts to provide food for hungry people, and that food distribution and shipping entities should work with organizations to make food that is wasted or discarded available for distribution to the hungry.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(36) Appropriation authorization

The House bill extends the authorization of appropriations for all programs under the Food Stamp Act, including the Puerto Rican

block grant, as follows: \$12.648 billion for fiscal year 1983, \$12.908 billion for fiscal year 1984, and \$13.651 billion for fiscal year 1985.

The Senate amendment extends the authorization of appropriations for the food stamp program, except for the Puerto Rican block grant, as follows: \$11.9 billion for fiscal year 1983, \$12.3 billion for fiscal year 1984, and \$13.2 billion for fiscal year 1985. The Senate amendment also provides a separate authorization of appropriations for a Puerto Rican block grant of \$825 million for each of fiscal years 1983 through 1985.

The Conference substitute adopts the House provision with an amendment to establish the authorization levels as follows: \$12.874 billion for fiscal year 1983, \$13.145 billion for fiscal year 1984, and \$13.933 billion for fiscal year 1985.

(37) Puerto Rico block grant

(a) The House bill requires that, after fiscal year 1983, food assistance under the block grant to the Commonwealth of Puerto Rico shall be made available in forms other than cash.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(b) The House bill requires the Secretary of Agriculture to conduct a study of the cash food assistance program in Puerto Rico, including the impact of the program on the nutritional status of residents of Puerto Rico and the economy of Puerto Rico, and report the findings of the study to the House and Senate Agriculture Committees no later than 6 months after the effective date of the bill.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(38) Similar workfare programs

The Senate amendment requires the Secretary to promulgate guidelines for food stamp workfare programs that would enable political subdivisions to operate such programs in a manner consistent with similar workfare programs operated by the subdivision. A political subdivision could comply with food stamp workfare requirements by operating (i) a workfare program under the aid to families with dependent children program or (ii) any other workfare program which the Secretary determines meets the provisions and protections contained in the food stamp program.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(39) Exemption of WIN participants from workfare

The Senate amendment deletes the current exemption from the workfare requirements for food stamp participants who are involved at least 20 hours a week in a work incentive program and provides that a State may, at its option, exempt such participants from the workfare requirements.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(40) Hours of workfare

The Senate amendment revises the maximum number of hours that an agency operating a workfare program could require of a participating member. Under the revision, a workfare participant cannot be required to work more hours than those equal to the value of the allotment to which the household is entitled divided by the applicable minimum wage or more than 30 hours a week when added to any other hours worked during a week for compensation in cash or in kind) in any other capacity.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(41) Reimbursement for workfare administrative expenses

The House bill directs the Secretary to reimburse agencies operating workfare projects for administrative expenses not otherwise reimbursable from one half of the funds saved from employment related to workfare programs. Such savings means an amount equal to three times the dollar value of the decrease in food stamp allotments resulting from wages received for the first month of employment which commences while the member is participating in a workfare program for the first time or in the 30-day period immediately following the termination of the member's first participation in the workfare program. Payments to agencies cannot exceed their share of workfare administrative costs.

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

As stated last year in the Conference report on the Agriculture and Food Act of 1981, the conferees do not intend that federally-shared administrative expenses include the cost of equipment, tools, or materials used in connection with work performed by workfare participants or the costs of supervising workfare participants and, further, do not intend that participants be reimbursed for meals away from home.

(42) State block grant option

The Senate amendment permits a State, at its option, to operate a low-income nutritional assistance block grant to finance expenditures for food assistance for needy persons within the State, in lieu of operating a food stamp program within the State. The State could be allowed to design its own low-income nutritional assistance program. States making such an election would receive, at the start of the fiscal year, a percentage of the annual Federal food stamp appropriation equal to their proportionate share of food stamp benefits (including cash benefits in lieu of food stamps and the Federal share of administrative expenses) during the period April 1, 1981, through March 31, 1982. No State would receive less than 0.25 percent of the appropriation.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The conferees intend that both the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry hold early and thorough hearings on the concept of a State

block grant option in order to expedite further congressional consideration of this issue.

(43) *Technical corrections*

The Senate amendment makes various technical corrections in the Food Stamp Act of 1977 to correct two typographical errors and to change references to the Secretary of Health, Education, and Welfare to the Secretary of Health and Human Services.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(44) *Effective dates*

(a) The House bill provides that all the food stamp provisions will be effective on the date of enactment of the bill, except for those provisions dealing with error rate reduction and Federal reimbursement of workfare administrative expenses, which will be effective October 1, 1982.

The Senate amendment provides that all the food stamp provisions of the bill will be effective October 1, 1982, and implemented no later than January 1, 1984.

The Conference substitute adopts the House provision.

(b) The House bill makes the food stamp provisions of the Omnibus Budget Reconciliation Act of 1981 (except for amendments concerning retrospective accounting and periodic reporting) and the Agriculture and Food Act of 1981 effective on the date of enactment of the bill unless already effective.

The Senate amendment provides that, except as otherwise specifically provided, the food stamp provisions of the Omnibus Budget Reconciliation Act of 1981 shall be effective on August 13, 1981, and shall be implemented no later than June 1, 1983, and the food stamp provisions of the Agriculture and Food Act of 1981 shall be effective on December 22, 1981, and shall be implemented no later than July 1, 1983.

The Conference substitute adopts the House provision.

TITLE II—BANKING

The Senate bill contains provisions excluding lump sum mortgage insurance premiums from the maximum mortgage limits and minimum downpayment requirements on FHA insured loans. The House bill contains these same provisions with i) additional requirements for the FHA program for refunds to those selling a home in the early years of the mortgage and for a determination by the HUD Secretary that the program of advance mortgage insurance premiums is actuarially sound before implementation of the amendments made by the provisions and ii) an authorization of \$50,165,000 for fiscal year 1983 for the expenses of the Bureau of the Mint. The conference report contains the House provision with a technical amendment to clarify that refunds are required for any program of advance premium collection even if the Secretary does not find the exclusion of the insurance premium from mortgage and downpayment limits to be actuarially sound.

The Conferees direct the Secretary to use the regulatory process to implement this provision in order to assure that Congress and

the public have an opportunity to review and comment on the structure of the program, prior to its actual implementation. The Conferees further expect that at the time the regulation is proposed the specific information that the Secretary used to make the required determination will be provided to the House and Senate Banking Committees. The determination must assess the actuarial soundness of the program including an analysis of the impact of allowing loan to value ratios in excess of 100 percent in the early years of the mortgage and the impact of the program on the ability of moderate income families to afford the resulting monthly payments and downpayments. If the Secretary determines that implementation of the amendments made by this section is not actuarially sound, the conferees expect that the Secretary will propose ways to preserve the current affordability of FHA insured mortgages for home buyers who can only afford minimum downpayments, including retention of the current system for those marginal purchasers. The Conferees further expect that the secretary shall require, in the regulations, that payment of such premiums be made promptly after settlement as is required by Section 530 of the National Housing Act.

TITLE III—CIVIL SERVICE AND GOVERNMENT OPERATIONS

SUBTITLE A—CIVIL SERVICE PROGRAMS

Cost-of-living adjustments (section 301)

Section 601 of the Senate amendment limits civil service retirement cost-of-living adjustments to 4 percent in each of fiscal years 1983, 1984, and 1985.

The House bill contains no comparable provision.

The House recedes to the Senate and concurs in the provisions of the Senate amendment with an amendment.

The conference substitute contains three parts.

First, the conference substitute provides that payment of civil service retirement cost-of-living adjustments which occur under section 8340 of title 5, United States Code, will be delayed one month in each of the next three calendar years. Adjustments currently are payable April 1 of each year. Under the conference substitute, adjustments will be payable May 1, 1983, June 1, 1984, and July 1, 1985.

Second, the conference substitute provides that civil service retirees who are under age 62 at the time of a cost-of-living adjustment under section 8340 shall receive only one-half of such adjustment. For the next three years the full adjustments are projected to be 6.6 percent, 7.2 percent, and 6.6 percent. Thus, under the conference substitute, retirees under age 62 would receive adjustments of at least 3.3 percent, 3.6 percent, and 3.3 percent. The conference substitute further provides that retirees subject to the limitation will receive an additional adjustment if the cost-of-living adjustment which actually occurs under section 8340 exceeds the projected adjustment. If this occurs, the retiree will receive one-half of the projected adjustment plus the entire amount by which the actual adjustment exceeds that projected. For example, if the full cost-of-living adjustment effective in 1983 is 7.6 percent rather than the

projected 6.6 percent, retirees subject to the limitation in the conference substitute would receive 4.3 percent (one-half of the projected adjustment plus an additional one percent reflecting the error in the projection). The limitation in the conference substitute does not apply to individuals receiving survivor annuities or individuals retired on disability.

The timing and amount of cost-of-living adjustments under several other government retirement systems (e.g., the military retirement system and the Foreign Service retirement system) are linked, by law, to the civil service retirement system adjustment mechanism. Thus, the changes in timing and amount discussed above also will apply to these other retirement systems, resulting in additional outlay reductions.

The third part of the conference substitute affects the pay of military retirees who are employed in civil service positions. Currently, the vast majority of these individuals receive both a full civil service salary and a fully indexed military pension. Thus, each year these individuals receive both an annual pay increase and a cost-of-living adjustment in their retired pay. The conference substitute provides that when such an individual receives a retirement cost-of-living adjustment, the individual's civil service pay will be reduced by the dollar amount of that adjustment.

Disability retirement (section 302)

Section 602 of the Senate amendment makes five substantive changes with respect to disability retirement under the civil service retirement System. First, it prohibits individuals eligible for immediate retirement from retiring on disability. Second, it reduces from one year to 180 days the period during which a disability annuity continues after a finding of restored earning capacity. Third, it changes the current earning capacity test period from two years to one year. Fourth, it authorizes the Office of Personnel Management to obtain information from the Departments of Health and Human Services, Labor, and Defense and the Veterans Administration. Finally, National Guard technicians who are separated from employment as technicians on or after December, 1979, due to disabilities that disqualify them from the National Guard or military service, will be eligible for disability retirement. Such service is required for employment as a technician.

The House bill contains no comparable provision.

The conference substitute adopts the provisions of the Senate amendment with minor changes. The provision prohibiting disability retirement for individuals eligible for optional retirement is deleted. The provision for payment of disability annuity benefits to National Guard technicians is made prospective and dependent on the individual concerned making application to Office of Personnel Management not later than twelve months after the date of the enactment of the conference substitute. Finally, the provisions relating to restoration of earning capacity are made effective with respect to income earned after December 31, 1982. The conference substitute includes other stylistic and technical changes.

Interest rates, deposits and redeposits under the civil service retirement system (section 303)

Section 603 of the Senate amendment provides that effective January 1, 1985, the interest rate for any given year on redeposits of refunds and deposits for periods of service for which no deductions were made shall be equal to the overall average yield on all obligations in which the Fund was invested during the fiscal year ending during the preceding calendar year. Currently the interest rate charged is set by statute at three percent. The Senate amendment also provides that no retirement credit will be allowed for periods of service for which retirement deductions were not made unless a deposit for such service is made to the Fund. Finally, the Senate amendment provides that an employee must be separated for at least 31 days before a refund of retirement contributions may be made. Currently, an employee need be separated for only three days.

The House bill contains no comparable provision.

The conference substitute adopts the Senate amendment with minor changes. The conference substitute clarifies the interest rates which will be effective in the future. Under the substitute the rate of interest for any calendar year will be equal to the overall average yield to the civil service retirement fund during the preceding calendar year, as determined by the Secretary of the Treasury, from all obligations purchased by the Secretary during the calendar year under section 8348 (c), (d), and (e) of title 5, United States Code. The conference substitute further provides that the new interest rates will apply only with respect to refunds and periods of service which occur after October 1, 1982. Finally, the provisions relating to the required 31 day separation are made effective October 1, 1982, to conform to the general effective date of the conference substitute.

Reduction of annuities for early retirement

Section 604 of the Senate amendment provides that the annuity of a retiring employee shall be reduced four percent for each year the employee is under age 55 at the time of retirement. Under current law the reduction is two percent for each year.

The House bill contains no comparable provision.

The Senate recedes to the House.

Rounding down of civil service retirement annuities (section 304)

Section 301 of the House bill and section 606 (a) and (b) of the Senate amendment provide that civil service annuity benefits shall be rounded to the next lowest dollar. Under existing law annuities are rounded to the nearest whole dollar. This change will apply to initial annuities and to annuities adjusted annually to reflect changes in the cost-of-living. The conferees agreed that the new rounding provisions shall apply with respect to annuities commencing on or after October 1, 1982, and with respect to adjustments or determinations of annuities made on or after that date.

Later commencement date for certain annuities (section 305)

Section 302 of the House bill and section 606(c) of the Senate amendment provide that the annuities of retiring employees and Members will commence on the first day of the month after separation from the service. Under existing law, such annuities commence on the day following separation. The House provision, however, would not apply to individuals retiring involuntarily (except for cause) or on disability. The House bill provides that the amendment applies to annuities commencing on or after October 1, 1982. The Senate recedes to the House.

Creditable service based on military service; recomputation at age 62 of credit for military service of current annuitants (section 306, 307)

"Catch-62" is the term used to describe a situation where an individual with military service retiring under the civil service retirement system may credit the years of post-1956 military service for a civil service annuity. These military years are also automatically creditable for social security benefit purposes. In order to prevent coverage under both systems for the same period of service, the civil service retirement annuity, by law, is recomputed at age 62 (when social security eligibility begins) to eliminate the period of military service from the civil service annuity. The additional social security benefit gained for these years of military service often does not match the reduction in the civil service annuity. Sections 607 and 608 of the Senate amendment address this problem in three ways.

The House bill contains no comparable provision.

The House recedes to the Senate with technical amendments. The conference substitute provides the following:

(a) An employee first employed in a position under the civil service retirement system on or after October 1, 1982, will not receive credit for military service toward a civil service annuity unless the employee deposits in the civil service retirement fund an amount equal to 7 percent of his military base pay for each year of military service that he wants credited for civil service retirement purposes. If the employee makes a deposit, he will be entitled to credit under both the civil service and social security systems. An employee has a two-year grace period after employment begins during which no interest will be applied to amounts which are deposited. Amounts deposited after the two-year period are subject to interest at an annual interest rate equal to the yield on new civil service retirement fund investments.

(b) Employees first employed before October 1, 1982, will also be given an opportunity to make a deposit to the civil service retirement fund to cover military service. If they do, they will also be entitled to credit under both the civil service and social security systems and thus will avoid a "Catch-62" reduction. The same grace period and interest provisions as for new employees will apply. If they choose not to make a deposit, they would continue to be subject to the "Catch-62" reduction.

(c) Current civil service annuitants who are age 62 or older on October 1, 1982, will have their annuities recomputed to give them credit

service credit for their military service. For an annuitant not yet age 62, military service will not be deducted from an annuity at age 62. Upon recomputation of the civil service annuity (in the case of annuitants 62 or older), and upon reaching age 62 (in the case of annuitants currently under that age) there will be a recomputation of social security benefits removing credit for periods of military service and reducing the civil service annuity by an appropriate amount. However, in no case will an individual receive less than the amount he would receive or is receiving had he remained subject to the "Catch-62" reduction.

Immediate retirement (section 308)

Section 609 of the Senate amendment amends the early retirement provisions of existing law (5 U.S.C. 8336(d)) in two significant respects. The first change requires the Office of Personnel Management to determine that a significant percentage of the employees serving in an agency will be separated or subject to an immediate reduction in basic pay during a major reorganization, reduction in force, or transfer of function before the Office of Personnel Management may authorize employees of the agency to retire voluntarily under the early retirement provisions of section 8336(d). The second change provides that an employee who is separated from the service involuntarily is not entitled to an annuity if the employee has declined a reasonable offer of another position in the agency.

The House bill contains no comparable provisions.

The conferees agreed to the Senate provision with an amendment to clarify the phrase "reasonable offer of another position." Under the conference substitute, the offered position must be one for which the employee is qualified, be not lower than two grades or pay levels below the employee's grade or pay level, and be within the employee's commuting area.

General limitation on annuity cost-of-living adjustments (section 309)

Section 610 of the Senate amendment provides that no civil service annuity (including survivor annuities) may be increased as the result of a cost-of-living adjustment to an amount which exceeds the greater of (a) the maximum pay payable for GS-15 (currently \$17,500), or (b) the final pay (or average pay, if higher) of the employee or Member increased by the overall annual average percentage adjustments in the General Schedule pay rates that have occurred between the date the employee's or Member's annuity commenced and the date of the cost-of-living adjustment. For the purpose of determining the final or average pay of an employee or Member, the term "pay" is defined to mean the rate of salary or basic pay which is payable under any provision of law, including provisions of law which limit the expenditure of appropriated funds. The Senate amendment further provides that the amendment shall not cause any annuity to be reduced below the rate payable on the date of enactment but that such amendment shall apply to any cost-of-living adjustment occurring on or after the date

of enactment. Moreover, the amendment applies with respect to any civil service annuity regardless of its commencing date.

The House bill contains no comparable provisions.

The House recedes to the Senate.

Federal employee pay adjustments; executive pay review (section 310).

Section 303 of the House bill provides that if the President, before September 1, 1982, transmits an alternative pay plan to the Congress proposing a pay adjustment of less than 4 percent and that alternative plan is disapproved by either House in accordance with existing law, the pay adjustment for the statutory pay systems shall be 4 percent. Under existing law, Federal employees are entitled to the full pay comparability increase (estimated to be close to 20 percent this October) in the event either House disapproves the President's alternative pay plan.

The Senate amendment contains no comparable provisions.

The Senate recedes to the House and concurs with an amendment.

The conference substitute has three parts. First, it adopts without change the provisions of the House bill relating to the disapproval of an alternative pay plan. Second, it directs the appointment of an ad-hoc Commission on Executive, Legislative, and Judicial Salaries. The Commission is directed to make recommendations and report, in accordance with existing law, except as provided by the conference substitute. Its report must be transmitted to the President not later than November 15 of this year, and the President would then promptly formulate his recommendations and submit them to Congress for review. The President's recommendations would become effective for any pay period beginning more than 30 days after they are transmitted unless the Congress, by concurrent resolution, disapproves the recommendations during the 30-day period. The recommendations will supersede any pay rate or pay cap established by prior provisions of law. Finally, commencing in fiscal year 1984, the conference substitute changes the basis for computing pay for employees under the General Schedule. Currently, General Schedule pay is computed on the basis of 260 work days or 2,080 hours rather than the 261 or 262 work days that usually occur in a calendar year. The conference substitute provides that pay shall be computed on the basis of the average work hours in a calendar year (2087 hours). This change is effective only for fiscal years 1984 and 1985. This provision does not necessarily affect the calculation of retirement benefits. Whether there should be a corresponding change in the basis of calculating such benefits is left to the discretion of the Office of Personnel Management.

SUBTITLE B—LIMITATION ON TRAVEL AND TRANSPORTATION EXPENSES

Travel and transportation expenses for vacation leave

Section 605 of the Senate amendment would terminate certain travel provisions in current law for Federal employees assigned to duty stations in Hawaii and Alaska. Under 5 USC 5728, Federal employees assigned to posts of duty outside the continental United States are allowed, for each tour of duty, payment for travel ex-

penses for one round trip to their actual place of residence at the time of appointment. This benefit is also extended to the employee's immediate family. By adding the words "Alaska and Hawaii" to the term "continental United States", the Senate amendment would terminate these payments with regard to Federal employees assigned to posts of duty in Alaska and Hawaii. The Senate amendment provides that an employee whose post of duty is in Alaska or Hawaii on the date of enactment of this Act shall be entitled to one round-trip travel commenced after the date of enactment of this Act.

The House bill contains no such provision.

The conference agreement would add the words "Alaska and Hawaii" to the term "continental United States", thereby terminating the round-trip travel benefits for Federal employees assigned to those two states. However, the conference agreement contains provisions allowing the head of an agency to provide for such round-trip travel benefits when he determines that such expenditure is necessary for the purpose of recruiting or retaining an employee for service of a tour of duty at a post in Alaska or Hawaii. The intent of this provision is to assure an agency the availability of employees with special qualifications which are not in ready supply in these locations and to assure the availability of personnel to fill positions in remote areas. It is intended that the provision be used sparingly and only when necessary to fulfill the agency's mission. The payment of such expenses is limited to not more than two round-trips commenced within five years after the date the employee first commences any period of consecutive tours of duty in Alaska and Hawaii. The conference agreement further provides that the termination of these travel benefits shall not be applicable to the first round-trip travel commenced after the date of enactment of this Act by an employee whose post of duty on the date of enactment of this Act is in Alaska and Hawaii, but counts such round-trip toward the two-trip limit.

TITLE IV—VETERANS' BENEFITS

The House bill and the Senate amendment, according to CBO estimates, would have achieved total cost savings of \$169.7 million and \$168.1 million, respectively, in budget authority and \$169.4 million and \$166.9 million, respectively, in outlays in fiscal year 1983.

The conference agreement, according to CBO estimates, would have total cost savings of \$168.7 million in budget authority and \$165 million in outlays in fiscal year 1983. The first three years' savings are shown in the following table:

COST SAVINGS

(In millions of dollars)

	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	Budget authority	Outlay	Budget authority	Outlays	Budget authority	Outlays
Section 401—Commencement of payment periods.....	53.5	53.5	56.3	56.3	59.2	59.2
Section 402—Advance date of reductions.....	3.2	2.9	3.5	3.2	3.9	3.9
Section 403—Pension rounding.....	3.6	2.7	10.4	10.4	10.1	10.1
Sections 404 and 405—Compensation rounding.....	18.8	18.8	18.9	18.9	19.1	19.1
Subtotal, Entitlements.....	79.1	77.9	89.1	88.8	92.3	92.3
Section 406—Home-loan fee.....	89.6	89.6	99.8	99.8	104.1	104.1
Conference report total.....	168.7	167.5	188.9	188.6	196.4	196.4
House bill total.....	169.7	169.4	185.8	185.5	195.0	195.0
Senate amendment total.....	168.1	166.9	192.1	191.8	202.0	202.0

A description of the provisions of the House bill, Senate amendment, and conference agreement follows.

1. Commencement of certain periods of payment

Both the House bill and the Senate amendment would, effective October 1, 1982, postpone the commencement of the period for which a new award or an increased award of Veterans' Administration compensation, dependency and indemnity compensation (DIC), or pension is paid. The commencement of the period of payment would be delayed until the first day of the calendar month following the effective date of the award or increased award.

The conference agreement includes this provision with a clarifying amendment defining "award or increased award". Under the definition, the term would mean an original award, a reopened award, or an award that is increased because the recipient has acquired a new dependent, the recipient's disability or disability rating has been increased, or the recipient's income has declined.

The conferees emphasize that this provision would not apply to various types of adjustments of awards—as opposed to new awards or increases in awards—such as occur, for example, in the case of an apportionment and in the case of the termination of any withholding, reduction, or suspension of an award by reason of a coupment, an offset to collect an indebtedness, institutionalization, incompetency, incarceration, or an estate that exceeds the limitation for certain hospitalized incompetent veterans. The conferees also emphasize that this provision does not apply to any increase in benefit payments resulting solely from the enactment of legislation—such as a cost-of-living increase in compensation and pension rates or a change in the criteria for statutory award designations or from a cost-of-living adjustment in pension rates pursuant to section 3112 of title 38. The term would also include any award of "improved" pension pursuant to an election under section 306 of Public Law 95-588 and any increase in the amount of compensation, pursuant to VA regulations (sections 4.29 and 4.30 of title 38, Code of Federal Regulations), by reason of hospitalization of a veteran, under certain circumstances, for a period in excess

days for a service-connected disability, or of a veteran's convalescence following certain surgical or medical procedures for a service-connected disability.

Cost savings associated with this provision, according to CBO estimates, would be \$53.5 million in both budget authority and outlays in fiscal year 1983, \$56.3 million in both budget authority and outlays in fiscal year 1984, and \$59.2 million in both budget authority and outlays in fiscal year 1985.

Advancement of effective date of certain reductions of compensation and pension

Both the House bill and the Senate amendment would provide that, effective October 1, 1982, the effective date of a reduction of compensation, DIC, or pension by reason of a reduction in the number of the recipient's dependents resulting from the marriage, annulment, divorce, or death of a dependent shall be the last day of the month—rather than the last day of the year—in which the number of dependents decreased.

The conference agreement contains this provision made applicable in order to avoid creating overpayments, only to changes in dependency occurring after September 30, 1982.

Cost savings associated with this provision, according to CBO estimates, would be \$3.2 million in budget authority and \$2.9 million in outlays in fiscal year 1983, \$3.5 million in budget authority and \$2 million in outlays in fiscal year 1984, and \$3.9 million in budget authority and \$3.5 million in outlays in fiscal year 1985.

Rounding down of pension to nearest dollar

Both the House bill and the Senate amendment would provide that, in computing amounts of monthly non-service-connected pension payments, amounts of \$0.99 or less shall be rounded down to the nearest lower dollar. Under the House bill, this provision would become effective October 1, 1982, and under the Senate amendment it would take effect with respect to payments for periods beginning after May 31, 1983.

The House recedes with a technical amendment clarifying that the amount to be rounded is the monthly (or other periodic) rate of pension. Hence, in the case of an unrounded deduction for an insurance premium payment or for an indebtedness offset, the pensioner may receive payment in an unrounded amount.

The conferees stress that this provision will become effective at the same time as the cost-of-living adjustment in the rates for the "improved" pension program (enacted in Public Law 95-588), pursuant to section 3112 of title 38, scheduled for June 1, 1983, with the result that no such pensioner's monthly rate will be, by virtue of this provision, reduced below the amount paid for the previous month.

Cost savings associated with this provision, according to CBO estimates, would be \$3.6 million in budget authority and \$2.7 million in outlays in fiscal year 1983, \$10.4 million in both budget authority and outlays in fiscal year 1984, and \$10.1 million in both budget authority and outlays in fiscal year 1985.

4. Rounding down of fiscal year 1983 compensation cost-of-living increase

The House bill would provide, effective October 1, 1982, and "adjusted" 7.4-percent cost-of-living increase in compensation and DIC benefits—that is, an increase of 7.4 percent in the current rates with all amounts from \$0.01 to \$0.99 rounded down to the next lower dollar. The Senate amendment would reduce, effective January 1, 1983, various current compensation and DIC rates—in anticipation of the enactment prior to that date of a similarly "adjusted" cost-of-living increase, effective October 1, 1982, in the current compensation and DIC rates that would supersede the rounding-down reductions.

The ultimate intended effect both of the House provisions and of the Senate provisions coupled with the subsequent anticipated cost-of-living increase would be a compensation/DIC cost-of-living increase costing less than a 7.4-percent increase calculated in accordance with the customary Congressional practice by which, in legislating such increases, amounts of \$0.50 or more are rounded up to the next higher dollar and amounts of less than \$0.50 are rounded down to the next lower dollar. Such lower cost for the total compensation/DIC increase this year is necessary in order to keep the cost within the pertinent fiscal year 1983 budget allocations to the Veterans' Affairs Committees under section 302(a) of the Congressional Budget Act of 1974.

The rate reductions in the Senate bill were arrived at so as to achieve estimated fiscal year 1983 cost-savings equal to the savings (\$29.5 million in both budget authority and outlays) that would be achieved through the enactment of an "adjusted" 7.4-percent compensation/DIC cost-of-living increase—with rates rounded down to the nearest dollar, with the rounded increased rate for those with disabilities rated at 10 percent reduced by \$1.00, and with a realignment of dependents' allowances (to provide for rate uniformity)—rather than a 7.4-percent increase enacted in accordance with customary Congressional practice on rounding.

Both the House bill and the Senate amendment would modify the method by which compensation dependent's allowances for veterans with disabilities rated from 30-percent through 90-percent disabling are computed. Under current law, these dependents' allowances are computed as a percentage—equal to the veteran's percentage disability rating—of the dependents' allowances payable to veterans rated totally disabled, with amounts of \$0.50 or more rounded up and amounts less than \$0.50 rounded down. The House bill and the Senate amendment would require rounding down all amounts.

The House recedes, with adjustments in certain current-rate reductions and a conforming amendment providing for rounding down certain intermediate rates pursuant to section 314(p) of title 38, United States Code. The fiscal year 1983 cost savings of \$18.9 million achieved through the conference agreement provisions reflect the House bill's treatment of the 7.4-percent increase for 10-percent disabled veterans. The conferees emphasize that these provisions are based upon an expectation that they will be superseded by the enactment of a compensation bill, prior to January 1, 1983.

providing for an "adjusted" 7.4-percent cost-of-living increase with rates rounded down to the nearest dollar and with dependency allowances realigned.

Cost saving associated with these provisions, according to CBO estimates, would be \$18.8 million in both budget authority and outlays in fiscal year 1983, \$18.9 million in both budget authority and outlays in fiscal year 1984, and \$19.1 million in both budget authority and outlays in fiscal year 1985.

Fee for home loans

Both the House bill and the Senate amendment would require the payment of a fee of 0.5 percent of the original loan principal of all VA home loans guaranteed, insured, or made to veterans—other than those who are in receipt of VA compensation for a service-connected disability or who, but for the receipt of military retirement pay, would be entitled to receive such compensation—and to certain spouses and surviving spouses. The House bill would also exempt the surviving spouses of those who have died from a service-connected disability. Under both provisions, the fee would be required with respect to loans closed after September 30, 1982.

The House bill, but not the Senate amendment, provides that the requirement for the payment of the fee would not apply with respect to any loan closed after September 30, 1985.

The Senate recedes.

Savings associated with this provision, according to CBO estimates, would be \$89.6 million in both budget authority and outlays in fiscal year 1983, \$99.8 million in both budget authority and outlays in fiscal year 1984, and \$104.1 million in both budget authority and outlays in fiscal year 1985.

Termination of pension benefits for certain children

Both the House bill and the Senate amendment would terminate, in the cases of children who reach age 18 after September 30, 1982, pension benefits payable under the "improved" pension program, enacted in Public Law 95-588, to or for certain veterans' children who have reached age 18 but are under age 23 and are pursuing a post-secondary education.

The Senate bill, but not the House amendment, in the cases of children who reach age 18 after September 30, 1982, would terminate pension benefits payable under section 306(a) of Public Law 95-588 (under which the benefits of certain pensioners who were in receipt of pension as of December 31, 1978, the day before the "improved" program went into effect, were "grandfathered") to or for certain veterans' children who have reached age 18 but are under age 23 and are pursuing post-secondary education.

Both the House bill and the Senate amendment would phase out—through annual 25-percent reductions, beginning with the reduction on October 1, 1982—the pension benefits payable under both the "improved" program and section 306(a) to veterans' children who reach age 18 prior to October 1, 1982, and are pursuing post-secondary education.

The conferees did not resolve the differences between the House and Senate versions, and the conference agreement does not contain these provisions.

7. Correspondence training

The House bill, but not the Senate amendment, would repeal, effective October 1, 1982, the authority under which GI Bill educational assistance benefits are paid to veterans, dependents, and service personnel for the pursuit of correspondence training.

The House recedes.

TITLE V—COMMERCE, SCIENCE, AND TRANSPORTATION

FEDERAL COMMUNICATIONS COMMISSION

Section 501 reduces the size of the Federal Communications Commission (FCC) to 5 from 7 members. The relevant parts of the Communications Act of 1934 specify that the FCC shall be composed of 7 members appointed by the President, by and with the advice and consent of the Senate. The Act further specifies that 4 members shall constitute a quorum.

This proposal would result in savings of approximately \$100,000 in fiscal year 1983 and \$500,000 annually, thereafter.

The proposal provides that the reduction of 2 positions will take place on July 1, 1983, thereby allowing for an abbreviated appointment to the term of office which expired on June 30, 1982. The second term, expiring on June 30, 1983, will not be filled. The terms of the other members are not affected. The number of members constituting a quorum as of July 1, 1983, is reduced to 3 from 4.

The concept of reducing the size of the FCC is not new. A January 1971 study entitled, "A New Regulatory Framework: Report of Selected Independent Regulatory Agencies" (prepared by the President's Advisory Council on Executive Organizations), recommended that "the number of FCC Commissioners be reduced from seven to five to minimize inefficiency caused by the sheer number of Commissioners considering each issue." The study also concluded that a reduced number of Commissioners would result in "improved regulatory effectiveness without raising the prospect of partisan control over the broadcast media, or individual interference with the free exchange of ideas or information (at pp. 118-119).

In 1974, a former FCC General Counsel, Henry Geller, endorsed this concept in "A Modest Proposal to Reform the Federal Communications Commission," The Rand Corporation, Washington, D.C. (April, 1974).

A 1977 Congressional study of regulatory commissions ("Study of Federal Regulation," Vol. IV, "Delay in the Regulatory Process," Committee on Governmental Affairs, U.S. Senate, 95th Congress, 1st Session, p. 115 (July, 1977)), concluded that policymaking bodies of 5 are preferable to larger groups, the primary advantage being the speed of decision making.

Most recently, the Comptroller General of the United States called for FCC reduction in a July 1979 report entitled "Organizational Management of the Federal Communications Commission for Greater Management and Regulatory Effectiveness," at pp. 15-16. As such, the FCC reduction seems long overdue.

INTERSTATE COMMERCE COMMISSION

House bill

No comparable provision.

Senate amendment

The Senate amendment provides that effective January 1, 1983, each office within the Interstate Commerce Commission (ICC) that is provided for by 49 U.S.C. 10301 (other than the office prescribed to expire on December 31, 1985) and that is vacant on July 1, 1982, shall be abolished and, effective January 1, 1983, amends such section to provide that the ICC will be composed of 7 members with no more than 4 members from the same political party.

The Senate amendment provides that upon the expiration of that member's term of office which is prescribed by law to expire on December 31, 1982, any person appointed to fill such office after such date shall be appointed for a term of office which ends on December 31, 1985, and such office shall be abolished immediately after the 1985 expiration date.

The Senate amendment provides that upon the expiration of that member's term of office which is prescribed by law to expire on December 31, 1983, any person appointed to fill such office after such date shall be appointed for a term of office which ends December 31, 1985, and such office shall be abolished immediately after the 1985 expiration date.

The Senate amendment amends 49 U.S.C. 10301(b), effective January 1, 1986, to provide that the ICC shall be composed of 5 members. It further amends such section to provide that no more than 3 members shall be appointed from the same political party.

The Senate amendment also provides that any member of the ICC whose term of office expires on December 31, 1982, or December 31, 1983, may be reappointed as a member of the Commission, and this provision is consistent with existing law.

Conference substitute

The conference substitute is the same as the Senate amendment except that (1) the vacant office which is retained on the Interstate Commerce Commission is one of the two offices which are prescribed to expire on December 31, 1984, instead of the office which is prescribed to expire on December 31, 1985; (2) one of the persons appointed to fill one of the two offices the terms for which are prescribed to expire on December 31, 1987, shall be appointed for a term of office which ends on December 31, 1991, instead of December 31, 1992; and (3) section 10301(c) of title 49, United States Code, is amended to reduce the terms of office of members of the Interstate Commerce Commission from seven years to five years. The amendment made under clause (3) of the preceding sentence shall take effect on January 1, 1984, and apply to persons appointed, after such date, to fill any office of the Interstate Commerce Commission, except that such amendment does not apply to one of the persons appointed to fill an office the term for which is prescribed to expire on December 31, 1987.

OTHER PROVISIONS

INDUSTRIAL FUNDING OF SUPPLY OPERATIONS

Section 611 of the Senate bill would amend the Federal Property and Administrative Services Act of 1949 to permit GSA to pass on to other Federal agencies costs incurred for wages, space, and other personnel costs relating to the contracting, procurement, inspection, storage, management, distribution, and accountability of supplies and materials provided by GSA to such Federal agencies. The Senate bill would provide that all executive agencies shall require from the GSA all needed items of personal property and not personal property which are managed by GSA unless otherwise authorized by GSA. The Senate bill further provides that the Administrator of GSA shall report twice each year to the Senate Committee on Governmental Affairs and the House Committee on Government Operations on the status and operations of the General Supply Fund.

The House bill contains no such provision.

The Senate recedes to the House position.

Committee on the Budget: For consideration of the entire House bill and Senate amendment:

JIM JONES,
LEON PANETTA,
RICHARD A. GEPHARDT,
DELBERT LATTA,
BILL FRENZEL,

Solely for consideration of title I of the House bill and title I of the Senate amendment:

LES ASPIN,
BRIAN DONNELLY,

Committee on Agriculture: Solely for consideration of title I of the House bill and title I of the Senate amendment:

E DE LA GARZA,
THOMAS S. FOLEY,
DAVID R. BOWEN,
BILL WAMPLER,
PAUL FINDLEY

(on all matters except as listed below),

TOM HAGEDORN
(on all matters except as listed below),

E. THOMAS COLEMAN
(in lieu of Mr. HAGEDORN) on sections 160-186 of the House bill and sections 101-150 of the Senate amendment (food stamps),

WM. THOMAS
(in lieu of Mr. FINDLEY) on sections 101-180 of the House bill and section 151 of the Senate amendment

Committee on Foreign Affairs: Solely for consideration of section 101 of the House bill and that portion of section 101 of the House bill which adds subparagraphs 201(d) (8)(D)(iii)-(v) to the Agricultural Act of 1949, as amended by the Agriculture and Food Act of 1951, and section 154 of the Senate amendment:

CLEMENT J. ZABLOCKI,
LEE H. HAMILTON,
JONATHAN D. BINGHAM,
WM. BROOMFIELD,

Committee on Banking, Finance and Urban Affairs: Solely for consideration of title II of the House bill and title III of the Senate amendment:

FERNAND J. ST GERMAIN,
HENRY GONZALEZ,
FRANK ANNUNZIO,
J. W. STANTON,
CHALMERS WYLIE,

Committee on Energy and Commerce: Solely for consideration of sections 402 and 403 of the Senate amendment:

JOHN G. DINGELL,
TIMOTHY E. WIRTH,
J. J. FLORIO,
JAMES T. BROYHILL,
N. F. LENT,

Committee on Public Works and Transportation: Solely for consideration of section 403 of the Senate amendment:

GLENN M. ANDERSON,
NICK RAHALL,
BOB EDGAR,
DON H. CLAUSEN,
BUD SHUSTER,

Committee on Post Office and Civil Service: Solely for consideration of title III of the House bill and sections 601-604 and 606-610 of the Senate amendment:

WILLIAM D. FORD,
MO UDALL,
W. CLAY,
ED J. DERWINSKI,
GENE TAYLOR,

Committee on Government Operations: Solely for consideration of sections 605 and 611 of the Senate amendment:

JACK BROOKS,
JOHN L. BURTON,
DAVE EVANS,
FRANK HORTON,
BOB WALKER,

Committee on Veterans' Affairs: Solely for consideration of title III of the House bill and section 701-706 and 708 of the Senate amendment:

G. V. MONTGOMERY,
MARVIN LEATH,
JOHN PAUL HAMMERSCHMIDT,
CHALMERS WYLIE,

Managers on the Part of the House.

Committee on the Budget:

PETE V. DOMENICI,
W. L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
JOHN TOWER,

Committee on Agriculture, Nutrition, and Forestry: For title I:

JESSE HELMS,
BOB DOLE,
S. I. HAYAKAWA,
DICK LUGAR,
WALTER D. HUDDLESTON,

Committee on Banking, Housing, and Urban Affairs: For title III:

JAKE GARN,
JOHN TOWER,
DICK LUGAR,
DON RIEGLE,

Committee on Commerce, Science, and Transportation: For sections 402 and 403 of title IV:

BOB PACKWOOD,
BARRY GOLDWATER,
TED STEVENS,
HOWARD CANNON,

Committee on Governmental Affairs: For title VI:

BILL ROTH,
TED STEVENS,
MACK MATTINGLY,

Committee on Veterans' Affairs: Solely for consideration of title IV of the House bill and sections 701-706 and 708 of the Senate amendment:

AL SIMPSON,
STROM THURMOND,
ROBERT T. STAFFORD,
ALAN CRANSTON,
JENNINGS RANDOLPH,

Managers on the Part of the Senate

